



Daily Report

Latin America

FBIS-LAT-91-209
Tuesday
29 October 1991

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Cuba

PCC Decision on Public Transportation Assessed

*PA2810193791 Havana Radio Havana Cuba in Spanish
1400 GMT 28 Oct 91*

[Commentary by Roberto Morejon]

[Text] The new Politburo of the Communist Party of Cuba [PCC] Central Committee has assumed its mandate in a dynamic fashion. After an in-depth analysis of the current exceptional circumstances of the country, it made the first decisions of the new era.

The Executive Branch, elected during the recent Fourth PCC Congress, thoroughly examined the delays and breaches in the petroleum deliveries agreed on by Soviet and Cuban entities. As a result, the Politburo recommended that the government reduce public transportation services, make a more rational use of energy, and secure energy for vital areas such as exports, production of medicine, tourism, sugarcane harvest, and defense.

The highest organ of the PCC subsequently defined the priorities for current times and adopted other prudent measures, under the provisions of the special powers the recent PCC congress granted to the Central Committee. The PCC congress tasked the Central Committee to act with realism, boldness, and determination to gain time for the economic strategy—intended to find viable and long-lasting solutions to the present problems of Cuba—to yield positive results.

In the middle of the special peacetime period, future decisions will entail greater levels of austerity for the population, after the halt of the mutually beneficial trade with Eastern Europe and the reduction in trade with the USSR. Cubans understand, however, that the lack of consumer goods and services is beyond their control, but that it is also the result of a policy that supports fairness, equity, and humanism.

Cuban authorities, both from the party and the government, are not disoriented. On the contrary, they are following a program aimed at promoting subsistence and development, despite the total uncertainty regarding foreign factors that may have an effect on the country. Given the prevailing uncertainty, the PCC has made quick decisions with a marked cautious character.

More Transportation Reductions Noted

*PA28100119: Mexico City NOTIMEX in Spanish
1907 GMT 26 Oct 91*

[Text] Havana, 26 Oct (NOTIMEX)—The newspaper GRANMA, the official mouthpiece of the Communist Party of Cuba [PCC], reported today that Cuba has begun to impose more public transportation cutbacks due to the lack of oil supplies from the Soviet Union.

The newspaper described the PCC Politburo meeting on its front page. This was the first meeting since the Fourth

PCC Congress and the attendants debated the Soviet's lack of compliance with petroleum agreements and its effects on Cuban society.

The top communist leaders did not announce other measures to abate the effects of the lack of fuel and supplies in the so-called special period during times of peace.

According to GRANMA, President Fidel Castro stressed at this meeting that, despite the restrictions, the following areas would continue to get priority treatment: food, production of medicine and health equipment, development of tourism, harvesting of sugar cane, and strengthening of Cuba's defensive capabilities.

Castro presented a report to the new members of the PCC Politburo on the results of his meeting with the presidents of Mexico, Colombia, and Venezuela—who comprise the Group of Three—in Cozumel, Mexico.

The PCC directorate has announced that measures will be quickly implemented against economic crimes (corruption in government agencies) and the absence of labor discipline.

Most of all, a policy of coercion to counter these actions was approved during the Fourth PCC Congress, which was held between 10 and 14 October.

Commentary Examines Country's Oil Shortage

*PA2610230591 Havana Radio Havana Cuba in Spanish
1400 GMT 25 Oct 91*

[Commentary by Roberto Morejon]

[Text] Greetings to our listeners. Cuba is almost completely dependent on imported oil because the island's subsoil lacks major hydrocarbon deposits and there are no large rivers or gas deposits to provide alternate sources of energy. Over the past three decades, this country has secured the oil that it needs through the periodic renewal of favorable agreements with the Soviet Union. Moscow provided Cuba with oil according to the island's needs for industrial development and electrification. Moscow also set reasonable prices that considered Cuba's status as a poor country.

Internal changes in the Soviet Union and its economic difficulties had an adverse impact on subsequent oil deliveries from that country, to the extent that in 1991 Cuba was only able to secure 10 million tons of the 13 million tons of oil it needs.

Even though the delivery of Soviet fuel was sufficient as recently as September, a slight shortfall of 400,000 tons in oil shipments is expected for the last quarter of this year, something that will have an impact on the already troubled Cuban economy. The depressed price of sugar—Cuba's principle export—the U.S. embargo, and the shortage of foreign currency preclude Cuba from obtaining oil on the international market.

The Cuban Government has studied every alternative to cope with additional drops in fuel deliveries, and new

sacrifices are planned in the case this happens. On the occasion of the Group of Three presidential summit, Cuba did not raise with Mexico or Venezuela, two major oil producers, the subject of a possible purchase of oil, because factors related to price and other matters would complicate the transactions.

As President Fidel Castro has noted, the San Jose Pact, whereby Mexico and Venezuela sell oil at preferential prices, constitutes a valuable, useful, and generous agreement, chiefly for countries with alternate energy resources. That is not Cuba's case, although local scientists are arduously working on the energy problem to find solutions in the face of possible further reductions in oil deliveries.

Basic Industry Minister Views Options

PA2810200491 Madrid EFE in Spanish 1743 GMT 28 Oct 91

[Text] Caracas, 28 Oct (EFE)—Rodrigo Ortiz, vice minister of Basic Industry of Cuba, told EFE today that the Governments of Cuba and Venezuela are negotiating a mixed enterprise agreement to open the Cuban refinery at Cienfuegos.

Experts from both countries met in the Venezuelan capital last week "to analyze this business," but for now no decision has been made, Ortiz stated.

The refinery of the Cuban Province of Cienfuegos, which was built recently, has a capacity to refine 3.5 million tons of petroleum per year, which is equal to 57,534 barrels of crude oil per day, Ortiz indicated.

The Cuban official is participating at the XXII meeting of ministers of the Latin American Energy Organization (OLADE), which is also being attended by representatives from 26 countries of the region.

The negotiations will be made on the grounds of refining Venezuelan petroleum and sharing the revenues, Ortiz said. He added that this kind of deal has also been proposed to other petroleum-producing countries, which he did not identify.

Local petroleum media said that, should the negotiations on the Cienfuegos refinery come to an agreement, the partnership with Venezuela would allow Cuba to resolve the difficult situation created by the reduction of the petroleum supply from the USSR.

Ortiz did not rule out that a top Cuban petroleum mission, which is in Mexico, could also make the same proposal on the refinery or other similar alternatives to the government of Mexican President Carlos Salinas de Gortari.

This year, the USSR reduced its petroleum supply to Cuba by 3 million tons, which is equal to approximately 50,000 barrels of crude oil per day, the official said.

The Cuban vice minister of Basic Industry categorically denied that the USSR has informed the Cuban Government of any new reductions in the petroleum supply scheduled to start in January.

The USSR will maintain the current petroleum supply to Cuba and "it will not be interrupted because it is part of a commercial exchange agreement where we send them about 4 million tons of sugar per year, as well as other products such as nickel and zinc," Ortiz added.

Two other refineries with a capacity of approximately 7,000 tons per year operate in Cuba, and it has not been ruled out that the Government of Cuba is trying to reach partnership agreements with other petroleum-producing countries to guarantee a stable supply and reduce its energy dependence from the USSR.

* Reactions to Scarcity of Food, Goods Reported

92P20024A Munich SUEDEDEUTSCHE ZEITUNG in German 10 Oct 91 p 3

[Article by Volker Skierka]

[Excerpt] [passage omitted] The supply situation for the population is deteriorating day by day. Cuba has no credit and scarcely any hard currency with which to pay. And even if it could pay, it would hardly get anything. As a result of its dependence on the Soviet Union over the course of many years, the mismanagement of its planned economy, and its focus on a single crop—sugar—the country is unable to meet its own needs. But then, what country would be? "We are gradually beginning to starve," says a Cuban acquaintance.

"We are living amidst incredible stress. When I come home after work, the first thing I must do is discuss with my wife what to do on the following day to provide for ourselves," says the man, a father, who holds an administrative position in a state enterprise and lives in a middle-class neighborhood. "It hurts when you have to watch each day as your barely 20-year-old son opens the refrigerator and sees there is nothing inside," he says. A neighbor stops by and says the state stores now have what they have not had for weeks: fish and more bread. She is on the way to the black market dealer. A pound of lard costs 8-10 pesos, a package of cigarettes 5-10. Nearly everything is in that price range. The average monthly salary is about 200 pesos; a retired person gets about 70 pesos. "You become a survival artist in a situation like this. If cigarettes become available with ration coupons, our acquaintance, who is a non-smoker, trades his allotment for one of condensed milk. Fresh milk is only available for children up to 14 years of age and persons 65 and older." At one time his son bought a foreign-made racing bike for a good price—135 pesos. The son recently sold it for 2,000 pesos. "Now, who do you suppose can afford something like that? A butcher, a baker, one of the 100,000 private farmers, or a black marketeer."

How will things continue, and what do people expect from the Cuban Communist Party Congress which is to begin today? "Allowing the sale of agricultural products is unavoidable, because, in reality, the plan to provide food for the population, which has been praised on television and in the press for the past two years, has failed," he says. Introducing the unregulated sale of agricultural products

would provide an incentive for increased production and dry up the black market. "They also have to do something to avoid an explosion among the population. Fidel doesn't seem to know what happens in the lines when the people have to stand for hours. Patience has its limits. And the sense of hopelessness is great."

Everyone is mulling over the question: "How long can Fidel keep going?" An increasing number of Cubans are of the opinion that Fidel should relinquish power. "At the same time everyone fears a change. Because who can really guarantee Cuba's future? Certainly not those people, the ones sitting in Miami, in exile. They're just waiting to come back here and take over everything again." Nearly all are afraid of losing the apartment or house they obtained following the revolution. No one believes the promises quickly made by exiles that they will let everyone keep their house. "Cuba is not yet as bad as the Americans would like. Where is a leader who can match Fidel and protect our national consciousness? In Miami, all they're fighting about is power." Castro continues to enjoy more support, especially among the middle and older generations, than U.S. propaganda would have one believe; that is the unanimous view in European diplomatic circles. But they also say: "That can change quickly."

"He is losing the young people," says the teenager who joins me on a walk through Havana. The young people still have their lives before them and don't see any future. The best period of Cuban socialism is past and there is not much left for them, except perhaps a good education with which they can do nothing. "Why can you, as a tourist, do everything here, and we cannot? Why are you allowed to the discotheque, and we are not; we have to be careful the police don't grab us when we stand around in front, hoping that a foreigner will bring us in with them and pay our way. We aren't allowed to have dollars; it's against the law. Why can you go to the best restaurants, and eat the best meat, and we cannot? We want to live well, have nice clothes, and have enough to eat too," complain two sisters as we eat hamburgers in an expensive discotheque which only accepts dollars.

The following evening, the foreigner is invited to the family's house. About 10 people greet him: "Make yourself at home." They give him what they have: baked banana slices, rice, and beans. He is the only one eating. His hosts say they have already eaten. The guest does not believe it but must eat anyway so as not to offend the family. But he has brought gifts for them. Anyone who has dollars and goes to meet or visit someone, stocks up beforehand in one of the shops in the international hotels where the foreigner can find everything and the Cuban nothing. He buys everything that can be eaten, drunk, smoked, or used. Never in his life has he purchased so much soap and deodorant in so few days. The reason is that these things have become scarce. And that is the worst thing that a planned economy can do to a Cuban: "A Cuban who smells bad is, socially speaking, a dead Cuban," so they say. Despite the difficulty of their situation, Cubans are still always friendly, and nicely dressed in clean clothes. "The worse it gets, the prettier the

girls make themselves." That is true as well. They stand in ever greater numbers along the Malecon and the elegant Fifth Avenue and want to be taken along to the disco, shopping, to bed, or into another life.

Repairs to Sugar Harvest Equipment Show Delays

FL2610184591 Havana Radio Progreso Network
in Spanish 1725 GMT 26 Oct 91

[Text] The number of pieces of equipment repaired for the next sugar harvest now totals more than 67,000. According to an analysis by the Agriculture Directorate of the Ministry of the Sugar Industry, this represents an insufficient rate of repairs. Repairs to about 84,000 combines, loaders, tractors, carts, cultivation implements, and equipment for handling cane should have been completed by 15 October. Of these, harvesters, loaders, and tractors show the greatest delays. Camaguey and Santiago de Cuba present a positive picture, while the rest of the country has suffered significant delays in repairing equipment due to problems with the supply of parts from the USSR.

Human Rights Committee Calls For 'Resistance'

PA2710200591 Paris AFP in Spanish 1642 GMT
26 Oct 91

[Text] Havana, 26 Oct (AFP)—The dissident Cuban Human Rights Committee (CCDH) on 26 October called for "peaceful civil resistance" after the fourth congress of the Communist Party of Cuba (PCC) that was held in the middle of October.

A note sent to AFP and signed by Gustavo Arcos Bergnes, Sebastian Arcos Bergnes, Jesus Yanez Pelletier, and Rodolfo Gonzalez Gonzalez, stated that the fourth PCC congress did not find "any reasonable solution to the grave economic, political, and social crisis" in the country. It added that the Cozumel meeting on 22 and 23 October, to which the Cuban president was invited by the Mexican, Colombian, and Venezuelan presidents, has left "little hope."

"In view of the increase in repression and police violence against all kinds of popular expression of discontent and protest," and recalling the examples of Gandhi, Martin Luther King, and "the Russian people in the face of the coup attempt," the CCDH believes that "peaceful civil resistance" is the way to reach a nonviolent solution.

Commentary Views Participation in Cozumel

PA2710165591 Havana Radio Havana Cuba in Spanish
0100 GMT 26 Oct 91

["Our America" commentary by Norberto Hernandez]

[Text] The unity of our nations will not occur through divine providence, but only through effective, concrete, and well-directed efforts. Perhaps this admonition from Simon Bolivar, the liberator, is more timely than ever during this highly critical period for the Latin American

people. It is precisely now that the enthusiasm, willingness, efforts, and intelligence of all the inhabitants of the region are tested. It would not be bold to say that—following the Guadalajara Summit—the meeting recently held by the Group of Three: [G-3] has strived to unite the wills and views of several countries to find a solution to their many problems.

The effort is praiseworthy, but equally commendable is the fact that Cuba was included as the guest of a conference in which the efforts to improve the present and walk toward the future free of our current problems took precedence over political differences. Cuba's presence at the Cozumel meeting is very significant because a close unity is currently necessary among all the countries on the continent. That unity must be devoid of restrictions or isolations that are reportedly based on ideological factors.

The Mexican newspaper EL UNIVERSAL aptly referred to this issue and said that it is contrary to the region's basic interests to have isolated nations like Cuba, which has been subject to an irrational blockade for over 30 years. The newspaper said: The future must not find us defenseless. We must be organized as a strong commercial and economic bloc regardless of whether or not the free trade treaty is signed between Mexico, the United States, and Canada.

The invitation from the presidents of Venezuela, Colombia, and Mexico to Cuba to participate in the G-3 was issued taking into consideration that the Caribbean nation has earned the right to achieve its development despite the cost of the U.S. blockade, which has deprived the country of resources equivalent to more than \$15 billion in 30 years. Even though Cuba never considered itself isolated from its sister Latin American republics, it is quite clear that the construction of a much more just and human society was carried out under extremely difficult circumstances; this can be considered a historical feat achieved by the Cuban people. Moreover, Cuba has always been willing to have all kinds of relations, including commercial relations, with all the countries in Latin America. The fact that nations like Mexico, Venezuela, and Colombia bear this in mind proves that efforts are being made so actions to achieve regional development include the participation of countries that, like the Caribbean island, have not only struggled to survive and march onward but have done it while permanently defending their sovereignty.

In addition, one cannot ignore the fact that despite U.S. pressure, Latin American nations realize that the world's current conditions are radically different from those that prevailed about 10 years ago. It has become increasingly difficult to obstruct regional integration and cooperation initiatives when there is a collective interest to achieve independent development. Integration as a means to work for the Latin American and Caribbean area's development is the only solution to the nations' economic problems. It is valid to reassert this, especially when the Cozumel meeting has proven that no country should be excluded from those efforts.

Cuba's national hero, Jose Marti, said: I am a son of America and I owe it allegiance. His statement can very well serve as the framework or guideline for all the actions that should be jointly carried out by the nations.

Politburo Assesses Cozumel, Fuel Supply

FL2610130991 Havana Tele Rebelde Network
in Spanish 1230 GMT 26 Oct 91

[Text] The Politburo of the Central Committee of the Communist Party of Cuba [PCC] has held its regular meeting for this month, chaired by its first secretary, Commander in Chief Fidel Castro. The meeting's agenda included a report by Comrade Fidel on the results of his talks with the presidents of Mexico, Venezuela, and Colombia in Cozumel, Mexico, on 22 and 23 October.

The Politburo analyzed the most current information about the status of deliveries from abroad, particularly the situation in trade with the Soviet Union. Different alternatives were considered, in accordance with the provisions included in the special period plans, given the delays and nonfulfillment in the oil deliveries that had been agreed on between the appropriate Soviet and Cuban entities. These alternatives include reductions in public transportation, which it has been necessary to begin to implement.

Concerning the allotment of material resources and the more rational use of the electricity we have, Comrade Fidel stressed the priority of the food program as part of a whole that includes the production of medicines and medical equipment, tourism development, fulfillment of the export plans, especially for the sugar harvest, and the continued increase in the country's ability to defend itself.

Finally, the Politburo held an exchange of views concerning the exceptional understanding and extraordinary political maturity our people have shown once again in their reception of the results of the Fourth PCC Congress. In this context, the members of the party leadership agreed on the need to enforce those measures, which immediately or in the short term, will implement the decisions made by the congress, such as those concerning the problems of economic crimes and social indiscipline.

Official on 'Flexibility' for Foreign Investments

PA2910034391 Paris AFP in Spanish 1820 GMT
28 Oct 91

[Text] Havana, 28 Oct (AFP)—Cuba is willing to provide proof of its "maximum flexibility" concerning foreign capital investments, it was stated 28 October by Cuban Chamber of Commerce Chairman Julio Garcia Olivera. However, the businessman refused to confirm or deny that a 100 percent foreign capital investment will eventually be allowed for enterprises established in Cuba.

"It all depends on the projects proposed," Garcia Olivera said in a news conference prior to the Havana Foreign Trade Fair, scheduled to open this weekend.

This opening up to foreign capital, with privileges for Latin American and Caribbean investors, is one of the Castro regime's new economic guidelines designed to allow adaptation to the world economy following the disappearance of the East European socialist bloc.

Firms from 24 countries, 10 of them in Latin America, will participate in the Havana fair, the main topic of which will be the creation of mixed enterprises or joint production ventures with Cuba.

According to Garcia Olivera, negotiations on 150 projects are currently under way with firms from 26 countries. The projects encompass all sectors of the Cuban economy, particularly the transportation sector and the pharmaceutical, mechanical, and sugar cane products industries.

The chairman of the Cuban Chamber of Commerce said: Contracts have already been signed with more than 50 foreign firms.

The slogan of the Cuban section in the Havana Trade Fair will be "Cuba Exports Health."

Mexico To Grant \$300-Million Credit Line

PA2710155891 Madrid EFE in Spanish 0044 GMT 26 Oct 91

[Text] Havana, 25 Oct (EFE)—Sources close to the Mexican Embassy told EFE today that Mexico will grant Cuba a \$300-million credit line with the signing of a commercial agreement.

The same sources said that the National Foreign Trade Bank (Bancomext) has created a fund of approximately \$300 million so the island, which is short on foreign currency, can import Mexican products. The fund will grow until it reaches its top figure in the measure that Cuba makes payments of its debt; according to preliminary talks, Cuba will receive 75 cents for each U.S. dollar it sells to Mexico while the remaining 25 cents will be used to amortize its debt.

There is also a bilateral agreement establishing a "co-investment" mode. In other words, if a hotel is built with mixed capital, Mexico will purchase it and recover its investment, while still owing Cuba half of the amount. The "co-investments" are protected by Cuban laws, which authorize joint ventures with a 50 percent foreign participation. However, President Fidel Castro said he is willing to offer higher amounts to Latin American investors.

Approximately 20 businessmen comprise the Mexican mission that will be led by Roberto Sanchez, chairman of the National Association of the Transformation Industry (Canacindra).

The ninth meeting of the Cuban-Mexican Business Committee will be held in Havana on 31 October, it was reported by the Cuban Chamber of Commerce.

Cuban President Fidel Castro met with his Mexican counterpart, Carlos Salinas de Gortari, on 22 October on the island of Cozumel, where the Group of Three—Colombia, Mexico, and Venezuela—"summit" was held; the Cuban president participated as a special guest.

Bahamas

Government Workers Seek Wage Increase

FL2910000891 Bridgetown CANA in English 1928 GMT 28 Oct 91

[Text] Nassau, Bahamas, Oct 28, CANA—The Bahamas Public Services Union, bargaining agent for government workers here, is pressing the government to give its members their first pay increase since 1988. Union President William McDonald cited a "considerable" increase in the cost of living since 1988 to back the demand for a pay increase. "The harsh reality (is) that... food costs, electricity costs, gasoline costs, and other taxes have all increased," he said.

Only recently, Finance Minister Paul Adderley said "there is no way this country can find by way of taxation to pay an increase in public officers salaries in 1992." The government is currently seeking Parliament's approval to borrow 86 million dollars (one B dollar = one U.S. dollar) and has announced measures to raise an additional 10 million dollars in taxes to complete 1991 financing.

Senator Keith Archer, president of the Bahamas Trade Union Congress, said the government must accept blame for the high cost of living because it failed to promote economic growth and development in the country.

"The high cost of living must also be laid at their doorstep because of the human and material waste and corruption by those in position of authority," said Archer.

Barbados

Sandiford Returns Home To Mounting Protests

FL2810235391 Bridgetown CANA in English 1545 GMT 28 Oct 91

[Text] Bridgetown, Barbados, Oct 28, CANA—Barbados Prime Minister Erskine Sandiford was back home Monday from a three-week overseas trip during which there has been a surge in public outcry against his government's current austerity measures. He returned quietly Sunday. [Words indistinct] was earlier than stated by some government officials apparently made wary by airline bomb threats which delayed by four hours his departure this month for the Commonwealth summit and other business.

Sandiford faces a trade union coalition ultimatum that government roll back by Wednesday measures in the austerity programme which has seen a legislated 8 per cent cut in public sector pay, and reduced severance and unemployment benefits. The unions, which marshalled 20,000 people

for a protest march last Thursday, said they would mount further industrial action, including a possible shutdown of the country, if the demands were not met.

Manufacturers, insisting on the reversal of a government decision to reimpose duties on their raw material imports, have also been sounding out the rest of the business community and unions for their participation in a planned November 11 protest shutdown of businesses and offices.

The two major opposition parties held a protest march and a motorcade on Saturday and Sunday respectively, blaming the government for creating an economic crisis here and calling for its resignation.

Members in Sandiford's own ruling Democratic Labour Party (DLP) have also been vocal on the current situation, with party members in two constituency branches passing resolutions of no-confidence in Sandiford's leadership and another, at the weekend, expressing concern at the situation but urging unity within the party.

Declining performance in the major tourism and sugar industries and fiscal and balance of payments deficits created with the help of high government spending fed by borrowing from the Central Bank have pushed the government into an International Monetary Fund (IMF) structural adjustment programme in which it expects to draw U.S. \$8.1 million dollars in IMF credits.

Opposition, Labor Hold 3 Protest Marches

*FL2810203091 Bridgetown CANA in English
1915 GMT 27 Oct 91*

[Text] Bridgetown, Barbados, Oct 27, CANA—A second opposition party was taking to the streets Sunday to protest the Barbados Government's economic austerity programme.

The National Democratic Party (NDP) launched a protest motorcade from its headquarters near the capital, Bridgetown, Sunday afternoon, to be followed up with a political meeting.

On Friday the Barbados Labour Party (BLP), the main opposition group here, stage a march through the streets of Bridgetown, attracting about 5,000.

The previous day, an estimated 20,000 Barbadians had taken part in a march organised by a coalition of trade unions.

The protests were triggered by an eight per cent pay cut in the public sector and a plan to lay off 2,000 part-time and casual public sector workers.

An NDP spokesman, economist Wendell McClean, on Sunday appealed to the coalition to team up with the political parties.

"The coalition should abandon its posture of non-involvement with the efforts of the opposition political parties," he said.

He described the demands of the coalition as "just and reasonable", but said they "fall far short of what is required to prevent the total collapse of the Barbadian economy".

Prime Minister Sandiford announced higher taxes, reduced government spending, lay-offs and a pay cut as he moved to borrow US\$8.1 million dollars from the International Monetary Fund to put the economy back on track.

Reading from the letter delivered to Acting Prime Minister Greaves, coalition leader Leroy Trotman on Thursday listed 10 issues which the unions wanted settled by next Wednesday.

The issues are: restoration of the eight per cent pay cut equals payment of all monies due in lieu of notice equals restoration of unemployment benefits from 40 per cent to 60 per cent of salary equals adequate procedures for lay-offs equals controlled prices for staple food items equals restoration of full severance payment benefits equals discontinuation of the new government requirement that civil servants contribute to their own severance equals a reduced level of stabilization tax for government employees equals restoration of a full work week equals and a meeting between the coalition and the IMF [graf as received].

"...if by Wednesday, 30 October, 1991, your government has not resolved the (above) matters to the satisfaction of the trade unions and staff associations, then the trade union coalition shall be forced to recommend to its members that they take more comprehensive industrial action, which may include a total shutdown of the country," Trotman had said.

McClean said the coalition "must be made to understand that the trade union movement cannot prevail over government, unless it continues to receive the full support of the wider community."

He said the coalition leaders must be made to face up to the fact that "the ramifications of the issues involved in their dispute with government indicate that the demands of the coalition will not be met until there is a change in government".

Haiti

Negotiations With OAS Reportedly To Continue

*FL2810204091 Port-au-Prince Radio Metropole
in French 1245 GMT 28 Oct 91*

[Text] [Words indistinct] insisted on the necessity of leading negotiations in the light of the clauses in Article 12 of the OAS Charter to avoid any attack on the national sovereignty.

Concerning this mission to the OAS, Deputy Joseph Lambert, a member of the Haitian delegation to Washington, will present a report this morning at 1000 to the

Chamber of Deputies. The prime minister has found the results of the parliamentary mission to Washington generally positive.

A delegation from the OAS is expected to arrive in Port-au-Prince this week to continue the negotiations. We do not know whether the provisional government has already given its approval for the arrival of that mission.

Aristide Calls For Implementation of Embargo

PM291011491 Paris LE MONDE in French
26 Oct 91 p 4

[Interview with ousted Haitian President Jean-Bertrand Aristide by Isabelle Vichniac in Geneva; date not given—first paragraph is editorial introduction]

[Text] Geneva—President Jean-Bertrand Aristide, who is regarded by France as the representative of Haiti's legitimate government, will be received by President Francois Mitterrand on 30 October during an official visit to France, the Elysee has announced. In the interview which he granted to LE MONDE in Geneva, where he arrived on 24 October, Father Aristide asked for pressure to be exerted to ensure strict respect for the embargo decreed by the international community following the 30 September coup d'etat, implicitly accusing the Dominican Republic of circumventing it.

Father Aristide calmly explained to us that he had come to Switzerland primarily to meet with politicians and officials of the major international organizations. Questioned on the possibility of returning to Port-au-Prince, he replied: "Everything depends essentially on the international community. I place a great deal of hope in help from France and the United States. It is in the interests of all countries to encourage the rise of democracy in Haiti. I placed myself at the service of everybody, primarily of the oppressed of course, but also of the rich who also need to be protected, especially from the Mafia. In seven months of power, my regime cost nobody his life, whereas more than 1,000 people have been killed and several thousand injured in the past two weeks.

[Vichniac] You were accused of having divided the army by separating it from the police.

[Aristide] It was not me who wanted that, but my country's Constitution which demanded it. I and my entourage were slandered by people who accused us of necklace killings or alleged that they had found lists in my house of people to be liquidated. When you want to drown your dog, you say he has rabies.

[Vichniac] In these difficult conditions, what is the best way of helping Haiti, other than by giving material aid?

[Aristide] One of the most effective ways would be to exert pressure for the international embargo, which has still not been implemented, to be respected. Haiti is not producing a drop of oil and will soon have exhausted its

meager stocks. So how do you think the perpetrators of the putsch can stay in power?

[Vichniac] After this return which you want, how do you view the future?

[Aristide] I foresee the establishment of a government of national unity from which only General Cedras and his group will be excluded because they have committed crimes against humanity and will have to be judged for those crimes wherever they are, in Haiti or elsewhere.

[Vichniac] What about the other military?

[Aristide] The rest of the army will benefit from a general amnesty. Our people are capable of renouncing vengeance and understanding that that will be a substantial step toward democracy.

[Vichniac] Who will you appoint as prime minister?

[Aristide] Haiti needs a new man. I am prepared for compromises on the appointment of that man. Constitutionally, the prime minister is chosen by the president and that choice must be ratified by the two houses of parliament.

Honorat Claims Newspaper 'Distorted' Statements

FL2810212291 Port-au-Prince Radio Nationale
in Creole 1400 GMT 28 Oct 91

[Text] Haitian Prime Minister Jean-Jacques Honorat says THE WASHINGTON POST has distorted what he said in an interview he gave on 25 October. The newspaper reports that Honorat said the former president would die if he returned to Haiti. Honorat told AFP that I told the journalist that I was sure that he would distort what I said to attribute to me what he wants me to have actually say. Further, he stated that I publicly repeat my neutral position in the face of two contradictory extreme positions: the return and the non return of the former president. It is my duty, as a patriot, to negotiate.

Honorat added for all the people who demand the former president's unconditional return: Are they ready to assume the responsibility for the consequences of this decision because the safety and the lives of several thousand Haitian citizens as well as Aristide's safety and life depend on this decision? Honorat concluded his statements to AFP by saying that emotions must be absolutely cooled.

Honorat on Aristide Return, Embargo

FL2810212191 Port-au-Prince Radio Metropole
in French 1245 GMT 28 Oct 91

[Text] In an interview to AFP, Prime Minister Jean-Jacques Honorat said his mission was to spare the country from civil war and to negotiate. Honorat thinks there are two hypotheses: Aristide may return or not return. These two contradictory factions must meet around a table. Honorat said: I am only a mediator, a catalyzer. Without favoring either solution, the Haitian prime minister stated that guarantees were necessary for

all within the national constitutional framework, but not through an external dictate. In this respect, he chastized the embargo voted against Haiti, saying this could incite the people to barbarism and civil war.

Latoture on Participation in Unity Government

PA2810174291 Paris AFP in Spanish 1151 GMT
28 Oct 91

[Text] Vienna, 28 Oct (AFP)—Gerard Latoture, 57, former Haitian foreign minister in 1988 and currently a UNIDO [UN Industrial Development Organization] director in Vienna, has told AFP that "he rejected the post as prime minister or foreign minister proposed to him by Haiti's provisional government, installed after the 30 September coup d'etat."

"Currently I am not available due to my professional commitments, particularly with the United Nations. Nevertheless, I would be willing to participate in Haitian political life within a framework of national unity in which all political sectors are represented," Latoture noted.

Latoture added that President Jean Bertrand Aristide's return to power in Port-au-Prince is possible, however, this must be in agreement with certain conditions guaranteed by the international community: respect for representative democracy in Haiti; respect of the judicial branch; separation of powers; and President Aristide's abandonment of the abuse of personal power.

"President Aristide's return to power without any guarantees is equivalent to a civil war. If he returns, nobody should lose face," he added.

Latoture said: "The guarantee of democracy in Haiti is closely linked to its economic development and the international community should negotiate the creation of a long-term development fund for Haiti. Venezuela, France, the United States, and Canada are willing to establish such a fund."

The former foreign minister, who was in Haiti at the time of the coup on a UNIDO economic mission, stated: "According to the international media and steady rumors in Haiti, President Aristide—from a psychiatric point of view—is very ill as he reportedly has been under treatment in Canada."

"If these rumors are true, they must be proven by a group of international doctors who should examine Aristide. The truth must be established to put an end to the rumors," Latoture commented.

Joseph Douze Elected New PDCH President

FL2810222891 Port-au-Prince Radio Metropole
in French 1600 GMT 28 Oct 91

[Excerpt] The Haitian Christian Democratic Party [PDCH] has chosen a new president. The party, founded by Reverend Sylvio C. Claude, has entrusted its leadership to Dr. Joseph Douze. He will act in this capacity until 1992 when the next PDCH congress will be held. Joachim Pierre, [minister of social affairs] PDCH secretary general, has been chosen to act as the PDCH vice president until the next congress. [passage omitted]

St. Lucia

Progressive Labor Party To Contest Elections

FL2810231391 Bridgetown CANA in English
1519 GMT 28 Oct 91

[Text] Castries, St. Lucia, Oct 28, CANA—The Progressive Labour Party (PLP) of former St. Lucia Deputy Prime Minister George Odum has announced it will contest the next general elections, ending speculation about the party's future in electoral politics here. Speculation about the PLP's future was fuelled by a prolonged period of silence, and rumours that the charismatic Odum would be contesting the polls on behalf of the ruling United Workers Party (UWP).

THE CRUSADER, the PLP's weekly newspaper, said in its latest edition that while the party would not be fielding a full slate of candidates in the forthcoming election, it had decided to contest "some specially selected constituencies."

Party leader Odum will again contest the southeast Castries seat where he was defeated in the last two general elections. General elections are not constitutionally due here until July next year but with political parties on the campaign trail, political observers said a poll before year-end was likely.

George Odum's younger brother, Jon, will be contesting the Castries South constituency, currently held by Desmond Brathwaite, minister of housing in the prime minister's office Desmond Brathwaite.

The PLP was holding talks with other potential candidates, THE CRUSADER said, quoting the party leader as saying the availability of "quality candidates and tactical considerations will decide in the months ahead how many candidates will fight on the PLP ticket."

The PLP is a splinter group of the main opposition St. Lucia Party [SLP] formed in 1982 at the height of the political infighting between Odum and then Prime Minister Allan Louvy which resulted in the collapse of the SLP government. In the last general elections, the PLP fielded candidates in seven of the island's 17 constituencies.

* UNAM Study on State's Electoral Records

92CA0009A Mexico City LA NACION in Spanish
23 Sep 91 pp 28-33

[Text of "Seven Points Concerning the 1991 Electoral Register for San Luis Potosi" by the National Autonomous University of Mexico's School of Political and Social Sciences]

[Text] This report is the seventh analysis of electoral registers in our country and is part of the research project entitled "Electoral Processes in Mexico, 1988-1991," which is being conducted under the Project of Alternative Communication and Sociology.

Among the elections to be held in 1991 the one that has prompted the most expectation is the vote for governor in the state of San Luis Potosi.

San Luis Potosi is marked by strong statewide cacique figures who have counterparts on the municipal level and are shored up by the ruling party's corporative system. In addition, the state has had a strong, pluralistic civil movement for more than 30 years. Thus, the 1991 elections in San Luis Potosi have national, not just statewide significance.

Our assertion is based on the assumption that the following factors are at work in San Luis Potosi today:

1. A government electoral policy that is committed in word to transparency, democracy, and plurality.
2. A strong civic movement that has its own history, deep roots, and leadership and that is clearly growing in both urban and rural areas.
3. A policy of election alliances that is ignoring ideological differences and running a single candidate for governor; this experience is unprecedented in our country's political history and will no doubt not repeat itself for quite some time.

The New 1991 Register

Even before the new electoral register was finished, it was hailed by one and all as "the most complete and reliable list that the country has had..."

Reviewing the new 1991 voter rolls, we find that from the start 6,346,648 Mexicans over the age of 18 cannot exercise their right to elect their government officials and that the average national voter registration as a percentage of the voting-age population (VAP) was 86.16 percent.

As for the register in San Luis Potosi, we find that the average statewide voter registration was 2.63 percent below the national average, placing it ninth on the list of states with the lowest voter registration (behind Sonora, Campeche, Queretaro, Tamaulipas, Coahuila, Nuevo Leon, and Morelos) and 15th in the number of unregistered voters, with a total of 177,712, representing 2.8 percent of the citizens not registered to vote nationwide.

Comparison of Registered and Unregistered Voters Nationwide and in San Luis Potosi

Scope	VAP	Registered	Not Registered
Nationwide	45,849,680	39,503,042 (86.16 percent)	6,346,638*
San Luis Potosi	1,078,707	900,995 (83.53 percent)	177,712**

*National total

**2.8 percent of the nationwide total

Growth of the San Luis Potosi Electoral Register Over the Past Four Years

A comparative analysis of the 1991 electoral register, the list used in July 1988 (completed in December 1987), the one from December 1988 used in the mayoral elections, and the August 1990 list for the election of state congressmen, shows us clearly that the register to be used as the basis for the 18 August elections by no means either provides the broadest coverage of the voting-age population of San Luis Potosi or includes the greatest number of citizens, judging exclusively by official information. The following table bears this assertion out.

1987-1991 Electoral Registers

Year	Voting-Age Population	Registered Voters	Coverage (percent)	Unregistered Citizens
1987	987,076	868,279	89.78	98,797
1988	993,851	907,109	91.27	86,742
1990	1,049,646	948,716	90.38	100,930
1991 (b)	1,078,707	900,837	83.51	177,870
1991 (c)	1,078,707	820,556	76.06	258,151

Source: Voting-age population estimates based on 1980 census and INEGI [National Institute of Statistics, Geography, and Informatics] estimate of population in 1991; registered voters and coverage: IFE [Federal Electoral Institute].

(b) Electoral register

(c) Basic lists of names

One truly alarming finding is that the 1991 register (lists of names) leaves more than a quarter of a million residents of San Luis Potosi without an opportunity to exercise their constitutional right to vote.

It is also noteworthy that in the 12-month period from December 1987 to December 1988 the San Luis Potosi register grew by 38,380 persons (4.47 percent), while from December 1988 to June 1990 (a year and a half) it increased by 41,067 (4.58 percent), whereas from June 1990 to January 1991 the register shrank by 47,879 persons (5.04 percent). We must, therefore, look into the causes of these developments.

A number explanations could be offered. We will list only four, however:

1. The rolls expanded from 1987 to 1990 because the bureaucracy of the State Registry of Voters was extremely efficient, besides which people may have been eager to register.
2. The alleged growth from 1987 to 1990 is not real, and the registers were essentially compiled with misrepresentations.
3. The 1991 register did not expand because of apathy on the part of the population, in spite of the government's extensive voter-registration drive.
4. The 1991 electoral registers were compiled using politically selective criteria, not technical ones.

Where Are the 177,870 Citizens Who Are Not Registered?

A necessary clarification is in order here. Under the new electoral regulations three documents in which citizens

are listed have been drawn up: a) the general index of voters; b) the electoral register, in which all citizens who signed the appropriate application are registered; and c) the lists of voter names, on which all citizens who picked up their credentials are recorded.

In the case of the state of San Luis Potosi, of a total voting-age population of 1,078,707, 996,083 citizens are on the general list, 92.34 percent. The electoral register includes 900,937 names (83.53 percent of the voting-age population). Finally, 820,556 citizens appear on the lists of voter names (76.06 percent of the VAP).

In the judgment of election officials, the percentages are optimum in every case; they argue that this is the best register in history, that no voter registry in the world has a 100 percent coverage, and that the blame for not registering lies mainly with apathetic or careless citizens, not with the institution in charge of this task.

If we conduct only a general check, guided by the overall percentages of registration, our perspective on the problem could turn out to be misleading.

But if our approach is to study the documents, both the electoral register and the lists of voter names at various levels, starting with the state and then on to the district and the municipality, we will find that the results leave much to be desired.

Let us look at the registration process in San Luis Potosi. A result of this effort is the document entitled "Electoral Register or Register 'B'." As we saw previously, the registration was neither the most extensive nor the largest at the state level in recent years. At the district level we find the following results:

Districts				
District	Estimated VAP	Citizens Registered (Register "B")	Coverage (percent)	Citizens Not Registered
I	191,808	154,752	80.68	37,056
II	127,155	112,155	88.28	14,930
III	142,628	126,297	88.53	16,331
IV	131,676	112,205	85.21	19,471
V	135,260	116,018	85.77	19,242
VI	212,137	149,914	70.66	62,223
VII	136,043	129,426	93.76	8,617
Total	1,078,797	900,937	83.53	177,870

As we can see, the largest number of unregistered voters is to be found in districts I and VI, which are centered on San Luis Potosi and two of the state's major urban municipalities (the city of San Luis Potosi and Soledad de Graciano Sanchez); they also have the lowest percentage of registration (80.68 and 70.66 percent respectively).

In contrast to this urban panorama are the clearly rural districts, which have a high percentage of registration

and few unregistered voters. The most illustrative example is district VII, located in the heart of the Huasteca region of San Luis Potosi, where 93.76 percent of the voting-age population is registered, with only 8,617 persons not registered.

If we now analyze the level of municipal registration, we will find that the city's largest urban municipalities have the lowest percentages of registration:

Voter Registration

Municipality	Estimated Population 1991	Registered Voters 1991	Percent Coverage	Unregistered Citizens
San Luis Potosi	313,285	240,685	76.82	72,600
Soledad	69,126	48,900	70.74	20,226
Total	—	—	—	92,826

We should point out that in accordance with electoral register "B" almost one-quarter of the residents of the state capital will be unable to vote on 18 August and that these two municipalities account for 52.18 percent of unregistered voters, with the remaining 47.82 percent in 54 municipalities. Such a disproportion is indeed alarming.

In contrast, we can find distinctly rural municipalities, such as those in the aforementioned district VII or those in district IV, all of which have registration percentages far above the state average of 83.53 percent.

There is unquestionably no basis of comparison between the rural and urban registration percentages, or for the number of unregistered voters in each municipality. Therefore, the question bears asking: To what is this disparity in registration percentages in electoral register "B" due? There are two answers. One is the official explanation, from IFE-RFE [Federal Voter Registry], which is that it is easier to register people in rural areas because they are at home longer during the day, whereas the opposite is the case in urban areas. The other is less kind, that the disparity is the result of selective registration using political criteria.

The percentage of registration is lower in the municipalities in which the opposition has a major presence and the civic movement is strong, whereas in the places where the ruling party's cacique power and corporatism are strong, the percentage of registration is high.

Therefore, there are reasons to believe that registration has been selective using political criteria.

The Issuance of Credentials and Electoral Register "C" (lists of voter names)

As we have already mentioned, this time there will be three lists of citizens. The last, known as Lists of Names of Voters or electoral register "C," consists of those individuals who besides appearing in the general index of citizens asked to be placed in the electoral register and, moreover, have picked up their credential (an absolute requirement). In other words, only those voters who have their credential are listed in electoral registry "C," lists of names, and only they can vote on 18 August.

As for the issuance of credentials in the state of San Luis Potosi, the IFE, through the RFE, reported that 820,556 voter credentials were handed out to their owners, this being the number of citizens that will be on the voter lists.

Even though the electoral authorities are touting the level of coverage in voter credentials, since in their view this represents 91 percent of electoral register "B," the fact is that 258,151 residents of San Luis Potosi will not have a chance to vote. In point of fact, the registration process has turned out to be a ruse in which each stage represents another obstacle to the exercise of a constitutional right. The table below illustrates this process:

1991 Electoral Register and Citizens Not Entitled To Vote

Estimated Population	Coverage of Electoral Register "B"	Coverage of Electoral Register "C"	Citizens Not Entitled To Vote
1,078,707	900,837	820,556	258,151

Checking the total number of persons on the Lists of Voter Names, Register "C," in each of the seven electoral districts, we again find that districts I and VI

have the lowest coverage, both in percentage and absolute terms, while district VII shows the highest percentage.

Voter Registration by District

District	VAP	Register "B"/VAP	Percent Coverage	Register "C"	Coverage of VAP
I	191,808	154,752	80.68	139,984	72.98
II	127,155	112,225	88.28	102,579	80.67
III	142,628	126,297	88.53	117,305	82.24
IV	131,676	112,205	85.21	100,365	76.22
V	131,260	116,018	88.17	104,078	76.94
VI	212,137	149,914	70.66	134,084	63.18
VII	138,043	129,426	93.76	122,161	88.49
Total	1,078,707	900,837	83.51	820,556	76.06

Once again we can see that in distinctly urban districts like number I relatively fewer credentials are issued than in rural districts. For example, we find that it is easier to issue credentials in the highland municipalities in the Huasteca region of San Luis Potosi, such as district VII, than in the city of San Luis Potosi.

This phenomenon becomes alarming when we check by municipality, inasmuch as in the municipalities in which opposition parties and civic movements are influential, registration levels are not only low but truly deplorable. In the municipality of San Luis Potosi, where the mayor's race in 1988 was won by the San Luis Potosi Civic Front, 95,990 citizens are not entitled to vote for governor and federal deputies, because only 69.36 percent of the voting age population were issued credentials. In the San Luis Potosi metropolitan area municipality of Soledad de Graciano Sanchez, 26,019 adults will not be allowed in the voting booths because the lists of voter names comprise only 62.36 percent of the citizenry.

In short, according to the official data, of the 258,151 residents of San Luis Potosi who will not be entitled to vote, 47.22 percent live in the municipalities of San Luis Potosi and Soledad, and at the district level districts I and VI account for 50.31 percent of unregistered voters.

In contrast, in the districts in which the ruling party gets an overwhelming majority the average number of credentials issued to voters is always high, as is the case with district VII, where the registration average is 93.7 percent. In the municipalities in which PRI [Institutional Revolutionary Party] took more than 90 percent of the vote in 1988, the percentage of credentials issued is always over 86, 10 points higher than the state average.

House-to-House Check of San Luis Potosi Electoral Register: The Myth of Reliability Collapses

We applied the technique of a simple random sample in two electoral districts that have been previously discussed and studied. Districts VI and VII were chosen because of their individual traits.

District VI displays the following traits:

a) It is made up of part of the population of San Luis Potosi and the urban area of this municipality.

b) It also includes the metropolitan area municipality of Soledad de Graciano Sanchez and the rural municipalities of Moctezuma and Ahualulco.

c) It is a district in which the Nava movement has a strong influence and the PRI's influence is scant and in which there were strong claims of PRI electoral fraud in July 1988, with PRI winning by way of the last ballot box tallied.

d) It has the lowest indices of registration and voter credential issuance.

In turn, district VII was chosen because:

a) It is a distinctly rural municipality, in the heart of the Huasteca region of San Luis Potosi.

b) The ruling party has won victories by wide margins there, with electoral opposition practically nonexistent in 1988.

c) It has the highest indices of registration and voter credential issuance.

d) The political power of caciques in towns is alive and well, bolstered and promoted by the corporative structure of the ruling party.

For the purposes of the study the district VI sample consisted of 1,026 persons and the district VII sample of 1,147 persons, all of them appearing on the lists of voter names or electoral register "C," which was submitted to San Luis Potosi political parties for review on Tuesday 23 July of this year.

The findings of the field checks tell us that the new list contains misrepresentations, even though it was compiled just recently.

Incredibly enough, just a few months after the lists of voter names were compiled, they show a misrepresentation rate of 12.08 percent in district VI and 11.59 percent in district VII; this is equivalent to 16,205 and 10,576 misrepresentations respectively.

The two tables below present the findings for each district and municipality in which the survey was conducted.

Check of the 1991 Lists of Voter Names in District VI of San Luis Potosi, Centered on the Municipality of San Luis Potosi

Municipality	Cases Checked in Sample	Percent Accurate	Percent Misrepresented	Percent Misrepresentation in District Sample	Total Registration in Municipality	Total Misrepresentations
San Luis Potosi	500	90.2	9.8	39.51	77,311	6,404
Soledad	344	84.3	15.65	43.54	43,107	7,056
Moctezuma	113	87.61	11.5	11.29	6,695	1,830
Ahualulco	69	89.85	10.4	5.64	6,971	915
Total	1,026	87.91	—	12.08	134,084	16,205

Check of the 1991 Lists of Voter Names in District VII of San Luis Potosí, Centered on the Municipality of Tamazunchale

Municipality	Cases Checked in Sample	Percent Accurate	Percent Misrepresented	Percent Misrepresentation in District Sample	Total Registration in Municipality	Total Misrepresentations
Tamazunchale	585	85.64	14.36	65.62	43,366	6,941
Xilitla	253	91.69	8.31	16.40	19,345	1,735
San Martín Ch.	83	85.54	14.46	9.37	9,789	992
Axtla	160	93.12	6.88	8.59	6,950	—
Tampacán	66	100.0	—	—	6,950	—
Total	1,147	1,019	—	11.59	94,769	10,576

Types of Misrepresentations Found

We have classified the misrepresentations into five categories: 1) Individuals on the lists of voter names but without voter credentials; 2) Individuals not living at the indicated address; 3) Nonexistent addresses; 4) Names listed more than once; 5) Minors listed.

1. Registered in the rolls but without voter credential. Article 155 of the Federal Code of Electoral Institutions and Procedures states in Paragraph 1:

"The lists of voter names are compiled by the executive officials of the RFE, which contains the names of the individuals included in the electoral register, grouped by district and section, to whom voter credentials have been issued and delivered." Now then, in visits to people registered on the lists we found that 4.67 percent in district VI and 3.05 percent in district VII did not have their voter credential, either because they were never handed out to them or because they did not go to pick them up.

This is an irregularity, inasmuch as it violates electoral legislation and, at the same time, implies that these credentials exist and were not destroyed because someone signed for their receipt.

This means that there are around 6,273 credentials in improper hands in district VI and 2,890 in district VII.

2. Individuals not living at the indicated address. This situation, which has been seen in registers from previous years, is repeated in the newly compiled list. A conservative approach to these cases was taken, as only individuals who had not lived at a given address for more than 3 months were included. If the individual had left more recently, he or she was stricken from the sample and replaced by the voter listed immediately below. In district VI this irregularity was found in 3.8 percent of the sample and in district VII 4.53 percent, corresponding to 5,096 and 4,293 misrepresentations respectively.

3. Nonexistent addresses. The assumption is that the new register was aided by the maps on which the 11th Population and Housing Census was based. Yet we found that streets would end and the house numbers would continue in

the electoral register, or else streets that have never existed in the municipality were listed. In district VII, 3.13 percent were in this category.

4. Repeat names. We found 0.19 percent in district VI and 0.26 percent in district VII.

5. Cases of minors being registered were detected only in district VII (17 percent) [as published].

A comment on these irregularities is in order. We have described them as misrepresentations, not errors. These two words unquestionably have different tones and meanings. An error is a mistaken action made in good faith. In contrast, a misrepresentation is an untruth, a concealment of the truth, or a discrepancy between word and deed. Can we regard it as good faith when citizens who do not have voter credentials are registered, thus breaking the law and concealing the fact that thousands of credentials are in anonymous hands? Isn't it a misrepresentation to register minors and alter their ages? And what about the systematic inclusion of addresses that are not homes or that do not even exist?

This is nothing new. Quite to the contrary, we have seen it time and again in several states of the Mexican Republic, and now in San Luis Potosí. We have seen and pointed out here that both the inclusion of phantom voters and the exclusion of thousands of real voters are linked to undemocratic political practices and are two faces of the same policy: to insure a monopoly of government posts for the ruling party.

By our calculations, at least 284,932 people will not be entitled to vote. The new electoral register in San Luis Potosí is neither new, because it suffers from the same old flaws, nor objective, because it does not reflect the real world, nor reliable, because it contains a great many misrepresentations and violates electoral legislation.

We can summarize the features of the 1991 San Luis Potosí electoral register, in its Lists of Voter Names version, as follows:

1. It is not the most complete nor does it contain the most names of those in recent years.
2. It is incomplete, omitting more than 280,000 citizens.

3. It has been compiled selectively in accordance with political criteria.
4. It suffers from five types of misrepresentations.
5. It violates current electoral legislation.
6. Therefore, it is unreliable.
7. Its compilation was overseen by the ruling party to insure itself a monopoly of power.

At the outset of this report we indicated that the current government has committed itself in word to democracy and clean, transparent elections. Its deeds, however, point in a different direction. Political conservatism is still running rampant; the State-party system is being abetted; the country's scant revenues are being squandered to legitimize antidemocratic practices (remember that this register cost 400 million pesos, and look what they gave us. Add to this the 10 billion pesos that they

threw away on the voter credentials); the current administration is intensifying voter disillusionment with elections; an attempt is being made to eliminate competition among parties, and any possibility of a change in power and in government is being denied.

Pollsters: Patricia Sanchez P., Lucia Corona Alba, Martha Cecilia Segura Lopez, Cecilia Tellez Cortez, Adriana Viveros A., Monica Sanchez Carreno, Concepcion Vega, Donaceano Fabian Guzman, Miguel Angel Soriano Narro, Francisco Castillo, Felipe Villanueva E., Miguel Angel Magana Nunez, David Casco, Benjamin Mendez Vidrio, Eric Ramirez, and Jorge Luis Reyes Rougon.

Coordinators of field work: Eric Ramirez Garcia and Jorge Luis Reyes Rougon.

General coordinator: Cuauhtemoc Rivera G.

El Salvador

Debt Renegotiation Agreement Reached With Japan

PA2810025291 San Salvador Radio Cadena YSU
in Spanish 1800 GMT 25 Oct 91

[Report by Maria Teresa Fajardo]

[Text] The Japanese and Salvadoran Governments have agreed to renegotiate the Salvadoran debt with Japan for \$12.7 million.

Japanese Ambassador Sumio Ono and Salvadoran Foreign Minister Manuel Pacas Castro signed a document to refinance the country's debt with Japan for \$12.7 million. According to the Salvadoran official, the renegotiation of this debt is beneficial because the loan conditions were maintained. Money from the loan was used to build the international airport in El Salvador and another part was used as credit for the purchase of Japanese products.

[Begin Pacas recording] This is a commercial transaction. Part of the debt that is being refinanced is through a commercial company, called the (?to) Company of Japan. The other company is called the Export-Import Bank of Japan. We have been able to maintain the initial credit conditions. A (?4.5) percent credit is practically a concessive interest rate with an extended grace period. [words indistinct] This is what is called a soft credit in international banking terminology. It is cooperation that is usually provided by governments in this regard, but the Export-Import Bank of Japan is a commercial bank and it obviously cannot reach the extremes of writing off the debt because otherwise it could not continue to operate. The interest is always paid, but we will get a grace period to pay off the arrears, the debt that was not paid off at the proper time. The interest will be paid, and after 10 years, we will start paying off the debt under the terms of the refinancing agreement. [end recording]

The foreign minister also confirmed the participation of President Alfredo Cristiani in the inauguration of the Central American Parliament scheduled to begin in Guatemala City on 28 October. [Begin Pacas recording] President Alfredo Cristiani will be present at the inauguration of the Central American Parliament. Most of the Central American presidents will attend. President Cristiani will leave on 28 October and it is likely that he will return on the same day. He is not scheduled to attend the ceremony to unveil a commemorative plaque in Esquipulas, Guatemala on 29 October. He will only be outside the country on 28 October.

There is a commission to review credentials, which is comprised of the vice presidents, the presidents of the electoral tribunals, and the foreign ministers. That is why Vice President Jose Francisco Merino; Jaime Romero Ventura, president of the Central Electoral Council; and myself will travel to Guatemala on 28 October to fulfill that obligation. [end recording]

As for the meeting of the Central American Security Commission scheduled to be held in Costa Rica on 7 and 8 November, the foreign minister said that preparations continue so a document can be submitted at the next Central American summit to discuss the Honduran proposal, which states that armies of the region should not seek military superiority, but maintain a defensive character.

Commentary on Government, FMLN Agreements

PA2710005291 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 25 Oct 91

[Station commentary: "A Struggle To Change Society and Not To Win Praise"]

[Text] The New York Agreements establish that political discussion constitutes the only solution to the conflict the top military command is maintaining in its operations within the territories of the FMLN [Farabundo Marti National Liberation Front], with special battalions, indiscriminate bombings, artillery fire, and abductions and murders of civilians. The UN observers for El Salvador were able to see for themselves in the settlements for repatriated Salvadorans in San Jose Las Flores and the city of Segundo Monte.

The National Army for Democracy [END] has carried out military operations that are shattering the offensive of the Salvadoran Armed Forces, which constitutes legitimate defense of mass organizations and the right to live, produce, and grow in peace of tens of thousands of Salvadorans who live in territories from where the Armed Forces were kicked out 10 years ago. Sabotage and attacks on military operations anywhere in the country have enabled the FMLN to counter and defeat all the plans of the top command. It is precisely the actions of the FMLN that are to be credited for bringing about the talks.

Our military operations have made it possible to achieve the social changes that can be foreseen in the negotiations. Social injustice led to this war, which like any war entails social costs that fall outside the will of the FMLN. The statements by Presidency Minister Oscar Santamaria on prolonging the war in rural areas, the statements by Colonel Mauricio Vargas distorting the agreements, and the statements by other military chiefs, as well as the ARENA [Nationalist Republican Alliance] stance rejecting constitutional justice and the eviction of repatriated persons and people in low-income areas in San Salvador, compel the FMLN to continue its military operations until the changes contained in the negotiation agreements are implemented.

Now that the High Command is beginning to see the failure of its current offensive, which is intended to change the military balance, it has adopted the distressing and hypocritical attitude of complaining about our military responses.

We view as immoral Oscar Santamaria's theory that the war must continue where the poor die without affecting the interests of the oligarchy, for whom this gentleman is a very well paid attorney. It is immoral not to agree to a truce that would end the bombing and the dislodging of people from the settlers' centers, while the government concurrently calls for an end to acts of sabotage against the infrastructure that are being used for military purposes, such as to transport troops who are abusive toward the settlers in Usulután and other parts of the country and who carry out offensives within our territories. Acceptance of such immorality would give an advantage to the military sector that is opposed to purging and downsizing the Armed Forces, as well as to the negotiations.

It has been said that military actions such as sabotage could cost the FMLN politically in the 1994 elections. The fact is, however, that the FMLN is struggling to transform society with a view toward democracy and social justice. If we accomplish such a transformation through our struggle, we will have the satisfaction of having done our historic duty, because we are not fighting to win electoral votes, but for a society free of death, poverty, and hunger.

The FMLN concurrently reiterates its offer of peace through an immediate truce. The sectors in favor of ending the armed conflict and its social costs must pressure the government to fulfill the agreements and end its current effort to alter the military balance. Meanwhile, weapons in hand, we will continue to defend the possibility of definitive peace with social justice, thereby guaranteeing the country's future which in reality is what is currently at stake.

Guatemala

Government-URNG Talks End Without Agreement

PA2710034991 Guatemala City PRENSA LIBRE
in Spanish 25 Oct 91 pp 2, 72

[Report by Silvino Velasquez Juarez]

[Text] The third meeting to discuss the issue of human rights held by representatives of the government and Guatemalan National Revolutionary Unity (URNG) concluded amid serious differences and no agreements, mediator Monsignor Rodolfo Quezada Toruno announced on 24 October at a news conference upon returning to Guatemala.

I can tell you that there has been a search for viable and efficient mechanisms that would truly allow the enforcement of human rights in our country, Msgr. Quezada emphasized. The discussions were sincere and serious, he insisted.

Quezada said that "at the meeting, the sides did not reach either a global or partial agreement; nevertheless, the meeting in Mexico was very positive."

Quezada Toruno disclosed that over the course of the meeting, which lasted three days, there were a few serious differences, but he stopped short of disclosing the details regarding those differences because he said that it would be beside the point to do so.

He also announced that the sides agreed on a new procedure that will be promoted by the mediator and UN representative Francesco Vendrell (observer), who will be given a prudent amount of time that should not extend past next month to make a conciliatory proposal.

Quezada said that "without creating false expectations, very objectively we are facing a serious problem because, of course, it is not solely and exclusively—as some would like—a cease-fire issue, but a matter of establishing certain guidelines to improve the living conditions of the Guatemalan people."

Msgr. Quezada expressed the view that true peace implies giving a larger number of Guatemalans access to the resources that God has created for all and not just for the benefit of a few, and that the people are entitled to greater access to education, health, and housing.

Quezada Toruno said that "the delegations want to sign a global agreement on the subject of human rights." This was their fifth meeting in Mexico and, he underscored, they were treated very well by the Mexican people and authorities.

The mediator pointed out that "four of the 11 points on the agenda caused differences between the sides, but he refused to provide further details."

To eliminate the problem, he said, taking into consideration all the contributions made by the government and the URNG, I will be given enough time to inform both sides of a new proposal.

Many false expectations have been raised with this process. We say there is an agreement, we say that 80 percent of the topics have been negotiated. It must be understood that this process is maturing gradually.

The government delegation has attempted at its meetings with the URNG to seek political agreements that fall within the framework of the current political constitution and other laws that are in force in Guatemala, said Manuel Conde Orellana, [head of the government delegation to the talks with the URNG].

Conde added that the government of President Jorge Serrano Elias has the political resolve to reach an agreement with the URNG. It is possible to reach political agreements, he insisted, but within a legal framework.

Conde acknowledged that differences have emerged over the course of the talks, but, he said, that should not be a surprising detail.

Belizean Prime Minister on 'Historic Visit'

PA2810134591 Paris AFP in Spanish 0210 GMT
27 Oct 91

[Text] Guatemala City, 27 Oct (AFP)—Belizean Prime Minister George Price arrived in Guatemala on 27 October for a historic visit. This visit will end the estrangement between the two countries and open the doors to a definitive agreement ending the territorial conflict that began over a century ago.

Prime Minister Price arrived at 1850 on a commercial flight and was welcomed by President Jorge Serrano at the international airport. Immediately after Price's arrival, both presidents held a joint news conference.

"We want to end this conflict," Price said, after emphasizing that "it is an honor for me to be a guest in Guatemala" for the inauguration of the Central American Parliament (Parlacen) on 28 October.

The local press gave Price a cool welcome and the Sunday newspapers did not announce his arrival.

Nevertheless, welcome messages issued by the ruling Solidarity Action Movement (MAS), the Guatemalan Chamber of Tourism (Cantur), "the Belizean students in Guatemala," and the mayors of Izabal and El Peten Departments, which are on the Belizean border and are thus interested in commercial rapprochement, reminded the Guatemalan people of Price's presence.

Price, who studied in Guatemala during his university years, was the leading promoter of his country's independence in 1981, when he took advantage of a moment of uncertainty in the negotiations between Guatemala and Great Britain to gain a unilateral British decision to grant independence to the disputed territory.

Guatemala refused at that time to acknowledge Belize as a new nation and since then has, on various occasions, confirmed its claim on Belize, based on agreements that date back to the past century.

Nevertheless, in a decision highly criticized by certain Guatemalan sectors, President Serrano recently changed that policy and recognized Belize's independence in order to begin to negotiate "directly" the territorial conflict, which will be the main topic in his talks with Prime Minister Price.

"Belize is a country with a history and traditions, and it exists. It is a member of the United Nations and OAS, and this is why we are a nation, but we want peace and we want to live in a friendly manner with the Guatemalans," Price stressed in a message to the nation.

Ambassador to Guatemala Installed

FL2610025391 Bridgetown CANA in English
2212 GMT 25 Oct 91

[Text] Belize City, Belize, Oct 25, CANA—Guatemalan President Jorge Serrano said he was prepared to go to the

courts to defend his decision to recognise Belize on which his country has a long-standing territorial claim, the new Belize ambassador to Guatemala Ismael Garcia reported here.

Serrano made the statement at a press conference against the backdrop of charges by the Guatemalan College of Lawyers that he had violated the country's Constitution by recognising Belize. The president said that he had talked to constitutional authorities and he was confident he had done the right thing.

The Belizean flag was raised in Guatemala on Thursday morning at a ceremony after the historic installation of Garcia as Belize's first ambassador to the Central American neighbour. Garcia presented his credentials to Serrano at what he called "a short but very impressive ceremony" at which the anthems of both countries were played. Garcia told State Radio Belize that he had an exchange of ideas with the president and the reception from the Guatemalan public was excellent.

"It was nothing but supportive," he said.

The ambassador confirmed that Prime Minister George Price and Foreign Affairs Minister Said Musa would travel to Guatemala City on Sunday to take part in the opening ceremonies for the Central American Parliament on Monday. The Parliament is made up of El Salvador, Guatemala, and Honduras—Costa Rica and Nicaragua are in the process of accepting the parliament's constituent treaty.

Garcia said the president had told him that the prime minister would be the honoured guest at this event and while there may be some groups who might provoke reaction there would be [words indistinct].

Serrano reaffirmed his commitment to recognition of Belize's sovereignty and independence and the negotiations over a final treaty and economic agreements would proceed in the same spirit of goodwill, Garcia said.

The Belizean flag was solemnly raised by two Guatemalan soldiers at a wreath laying ceremony to the fathers of Guatemalan independence.

"I think that is a very touching thing for all of us here," he said.

The ambassador will now establish an embassy in Guatemala City where he will be permanently based. He already represents Belize as a roving ambassador to other Central American countries.

Serrano Reaffirms Friendly Ties

FL2910001191 Bridgetown CANA in English
2011 GMT 28 Oct 91

[Text] Belize City, Belize, Oct 28, CANA—Guatemalan President Jorge Serrano, pledging his government's desire for friendly relations with Belize, said in an

interview broadcast here Sunday evening that he was opening to the Belizean people "all that we have in Guatemala."

President Serrano gave the interview to the Broadcasting Corporation of Belize, moments after welcoming Belize Prime Minister George Price and Foreign Minister Said Musa to Guatemala. Price and Musa were special guests at opening of the Central American Parliament in Guatemala City.

Guatemala last month moved to settle a century-old territorial dispute with Belize by declaring recognition of Belize's sovereignty and establishing full diplomatic relations. When asked why he had decided on this move, Serrano said one of the biggest goals in his life was to be a pacifier and to live in peace with his neighbours.

"I think it is right for the people of Belize and it is right for the people of Guatemala. We are looking for peace, comprehension, and good understanding."

The Guatemalan leader, who spoke in English, called recognition of Belize a "great decision" for his government and the Guatemalan people.

"I have a strong conviction that the position we have been taking is going to be good for both nations," he said.

Belize and Guatemala have yet to formally end their territorial dispute but Guatemala has said it has relinquished all claims it had on Belizean territory. A bill is now before the Belize House of Representatives limiting the country's territorial sea in the south to 3 miles. It is widely seen as a concession to give Guatemala access to the Caribbean Sea from its southern port of Porto Barrios.

A joint communique said negotiations would take place on joint development of Belize's 200 mile exclusive economic zone and the British have put up 22.5 million pounds to start road projects linking the two nations, enabling the economic development of Guatemala's El Peten region.

In Sunday's interview President Serrano said he hoped highways would be built from the Guatemalan city of Flores to the Belize border at Melchor de Mencos and also to the town of Isabal.

"It is going to be good for the Belizean people and for the tourists coming to visit, in an easy way, the Tikal ruins and the other attractions we have, and for us to enjoy the beautiful shore you have in Belize," he said.

Asked about fears expressed by fishermen in southern Belize who are worried about the possible loss of their traditional fishing grounds the president gave assurances that they would not be affected.

"Fishermen and everybody else are going to be able to continue working. There is no problem, I don't see any

problem," he said. He also said Belize, Guatemala, and Honduras would be able to get together to develop resources.

President Serrano referred to Belize's good economic relations with the Caribbean Community (Caricom) and said Guatemala had good relations with Latin America and the two economies could complement each other.

Serrano said Belize and Guatemala had a lot of things in common. "Prime Minister Price said that he is a Central American, he is a Belizean, and he is also a Caribbean and in one way or another we can say the same thing, we are also in the Caribbean Basin," said Serrano.

The president, who has degrees in education from Stanford University, said he had been to Belize several times to choose candidates for scholarships. "I fell in love with the land and its people," he said. Asked if he had a message for the Belizean people, the president asked people to pray for him. "The Guatemalan people in general have accepted this very well. There are very few that are causing problems (but) it is not going to stop me to improve relations with Belize, to do what I can do to open Guatemala for the Belizean people," he said.

Honduras

Carias Denies Tense Relations With U.S. Envoy

PA2510215491 San Pedro Sula TIEMPO in Spanish 24 Oct 91 p 2

[Text] Tegucigalpa—Foreign Minister Mario Carias stated 23 October that the government has not considered the possibility of declaring U.S. Ambassador Crescencio Arcos persona non grata, although Jorge Ramon Hernandez Alcerro, Honduran ambassador to the United States, described relations with the diplomat as "delicate."

"That possibility has not been considered," Carias indicated, reacting to a comment by Hernandez Alcerro, who described relations as delicate following some remarks by the U.S. ambassador.

Carias noted that this matter will not worsen relations between the two countries, because those things "can happen on certain occasions" and will certainly not go beyond a statement by President Rafael Leonardo Callejas, who said Arcos was "irresponsible."

The foreign minister said the remarks by Callejas and Hernandez Alcerro about Arcos fall within the framework of a "clear" government policy to discuss matters out in the open.

"I would not say" that relations between the United States and Honduras "are turning tense," he noted and voiced confidence that the impasse will be resolved soon. Carias indicated he is going by the Callejas' statement, as he has not had any contact with Alcerro.

Labor-Management Dispute at U.S. Firm Noted
PA2810014391 Tegucigalpa Telesistema Hondurena
Television Network in Spanish 0100 GMT 25 Oct 91

[Excerpts] The Honduran people awoke this morning to reports of a shoot-out in the Las Vegas community in Santa Barbara Department, resulting from labor-management problems at the El Mochito mine. Daniel Carrasco, 65, was killed and 30 others, including civilians and military troops, were wounded in the commotion when a special forces battalion and the 105th Brigade engaged in fist fights with area residents. The victim was a strike supporter, but he was not a mine employee.

The problem started early this year. The local explanation is that an internal struggle for union leadership divided employees at the El Mochito mine, which is exploited by the American Pacific company. In May, the group that lost the elections accused the winners of being a pro-management union that was attempting to destroy the labor movement. They also accused them of being a solidarity group, a business-type organization that would stand in the way of unions and attempt to overcome the traditional antagonism between union and management by improving relations with the workers.

The angered winners replied that the rebellious workers were resentful over having lost the internal elections. They also accused the FESITRANH [National Trade Union Federation of Honduran Workers] of playing up to the strikers, even though the victory could be confirmed through the following figures: of a total of 980 mine workers and executives, 40 were fired and 27 have already accepted their benefit payments. In other words, only 23 workers [figures as heard] are causing the entire problem with the aid of the mayor of Las Vegas, who says he has a personal problem with the American Pacific company. A separate article could be written on this issue because 400,000 lempiras are involved.

The matter is serious because the victim, a humble man, was not a mine employer or union leader, as the Codeh [Human Rights Defense Committee] stated in a communiqué. He was a humble citizen who suffered this fate because he supported the strikers and at the moment of the clash, amid blows with the butts of guns and shots in the air, was shot in the forehead and died on the spot.

The truth is that fire was not opened on the multitude at point blank range, as has been reported; it is obvious that if fire had been opened on the people, not one, but dozens of people would have been killed. The administrative manager of American Pacific regretted the incident.

[Begin recording] [Manager] [Words indistinct] sincerely regrets not only the tragedy of the person who was killed, but that of all the wounded. The company had wished and hoped that tranquility would return to the mine and

that we could work in peace. Unfortunately, however, this has not been the case and we now regret the consequences.

[Reporter] Did you exhaust every means of dialogue? Was there no chance for an understanding following the meetings at the Labor Ministry?

[Manager] That is correct. Unfortunately, the protesters have been totally intransigent, and the company has done everything within its power; it has granted benefit payments [to the fired workers] and it has also authorized workers who had supported the fired workers to return to work. All of these efforts failed. [end recording]

The situation is increasingly tense. Nothing has been resolved. At any moment a small spark could set off a bonfire; therefore, authorities at the highest level must adopt urgent measures. [passage omitted]

The problem at the El Mochito mine is not only the danger of the company leaving Honduras; it is more serious than that. It has become a political issue that is being used for ulterior motives. Mediation at the highest level of government is urgently needed.

Nicaragua

Request Filed To Strip Ortega of Immunity
PA2710024691 Managua LA PRENSA in Spanish
25 Oct 91 p 1

[Report by Felix Navarrete]

[Text] Sources from the Presidency of the National Assembly have reported that the PLC [Liberal Constitutional Party] bloc presented on 25 October a request to have former President Daniel Ortega stripped of his legislative immunity.

Despite the fact that Fernando Zelaya Rojas, secretary of the parliament, has said that he has not yet received the request, he did not rule out the possibility that the PLC bloc may have presented it directly to the Presidency of the National Assembly. This is not the proper way to do it, but it happens often.

Legislative sources have indicated that William Frech Frech presented the request in the name of the PLC. He presented a document containing all the evidence and proof of Ortega's attitude over the past few months, which violates the de jure state, and attacks the country's political Constitution.

The document was prepared by the PLC's legal advisers. It contains copies of the text of speeches published by Sandinist media, in which Ortega threatens the deputies and challenges the de jure state by endorsing the creation of Sandinist peoples' militias.

The document, which according to our sources is big, enumerates all the violations to the law the former

president has committed and requests that he be stripped of his legislative immunity so he can be tried by common courts.

* Commentary Praises U.S. Debt Forgiveness

92CA0010A Managua EL NUEVO DIARIO in Spanish
27 Sep 91 p 4

[Editorial by Pedro Antonio Blandon, president of Consultnic]

[Text] The recent decision by the government of the United States to forgive the official debt owed to it by the Government of Nicaragua before 1990 seems to us, in reality, a bold and timely one.

Let us examine some of the reasons:

1. First of all, it is bold because the United States knows that it is risking its prestige as the largest creditor nation by incorporating in its lexicon a phrase which is almost a taboo within the Club of Seven (G-7)—"forgiveness of 100 percent of the debt." And not only is it saying this, but to the surprise of everyone, "It is doing it."

It is very likely that at the meeting of the G-7 during the next Annual Meeting of the Board of Governors of the World Bank and International Monetary Fund, which is scheduled to begin within the next few weeks, the partners in the Group of Developing Countries will be making discreet protests to the secretary of the treasury about the pardon granted to Nicaragua.

2. On the other hand, other developing countries which are debtors and also enjoy the political friendship of the American government, and whose per capita income is less than \$500, will in turn make their demands. And we can imagine that at the proper time, they will send friendly messages asking for the same treatment as Nicaragua has received.

This pressure from the most heavily indebted poor countries has been occurring historically within the framework of the agreements of the Nonaligned Movement, wherein it has been emphasized that the foreign debt cannot be paid, for which reason demands for forgiveness of the debt owed to the creditor countries have been made.

3. From the Nicaraguan point of view, it must be said that this is a timely decision, given the financial context. This is because it came before the meeting scheduled for this coming October between the Club of Paris and the creditors to whom the official bilateral debt is owed.

Nothing better could happen to our country, unless following the decision of the United States to forgive Nicaragua \$259.5 million of its debt (almost 100 percent of its official debt to that country), other creditor countries (Japan, Germany, Italy, France, etc.) were to follow the example of their G-7 partner, creating a "waterfall phenomenon of substantial debt reduction and/or forgiveness."

It can be concluded that if this were to happen, it would mean the reduction of the largest debt which has been allowed a Latin American country in its history, although for the time being we can only point to the high price which our country would have had to pay.

4. It should also be noted that Nicaragua has successfully negotiated various bridge loans in order to pay the back sums due to the multilateral financial institutions, thus paving the way for new loans with those same institutions. This is timely, because it has cleared the path for new international economic relations.

If the obstacle of the official debt, which is hindering foreign cooperation projects, were to cease to exist, fresh sources of international financial cooperation would be reactivated, so that in the short run, mechanisms for guaranteeing exports would be put to use for Nicaragua. This situation would allow a positive flow of new foreign resources into the country, and would intensify the trade exchange with various countries.

5. It is probable that Nicaragua's trade debt will follow a similar path when the time comes to deal with the creditor banks, and this would not be surprising.

And, finally, if the announcement made on Wednesday, 25 September, leads to the development of all the aspects of the situation described, the forgiveness of the debt with all its consequences will be welcome. It is essential, however, that we maintain our dignity and vigilance in order to safeguard the sovereign interests of our fatherland and our self-determination.

Presidency Minister Comments on Recontras

PA2610154391 Managua Radio Sandino in Spanish
1200 GMT 25 Oct 91

[Text] During the United Nation's anniversary celebration held on 24 October in Puntarenas, Presidency Minister Antonio Lacayo turned over a military base to that international organization. The base is to be used for social programs to benefit peasants.

Lacayo said the government hopes that there will be no armed recontras or recontras by the end of the year. He also said that the formation of a municipal police force—as the Managua mayor wants—is illegal. Only the appropriate institutions can have weapons.

Following are Antonio Lacayo's answers to reporter Sonia Gonzalez' questions.

[Begin recording] [Lacayo] I am one of those who say that 95 or 98 percent of the contras are producing beans or corn and are normal civilian citizens of this country. The media rarely mentions them and concentrates on the other 2 percent who took up arms as a way of pressuring the government. We are already talking to them and I feel that in a few weeks, maybe even before the year is over, they too will be incorporated into civilian life. That is inevitable. No one in Nicaragua wants war and those who seek war and violence have no future in this country.

[Gonzalez] Do you trust in the peasants' productivity?

[Lacayo] Of course. Nicaraguan peasants have always been very productive. Nicaragua has beautiful lands as you can see. It has a good climate. What has happened is that instead of producing, we had concentrated on the war. Now that the war is over, production will start again.

[Gonzalez] Recently there has been much talk about the NEWSWEEK article. President Ortega said on 24 October that he will ask President Chamorro to request an investigation from the U.S. Government into the reports from NEWSWEEK. What can you tell us about former president Ortega's request?

[Lacayo] I have already discussed this. I was the campaign manager. I am sure that during our campaign, which supported Mrs. Chamorro's candidacy, there was no funding from the CIA. Therefore, it makes no sense to investigate ourselves. We know there has been money from the CIA for other uses, but not for campaigns. We would be doubting ourselves if we requested an investigation of ourselves. We know where the money that was used for the campaign came from. It came from the IPCE [Institute for Electoral Promotion and Instruction] and it was received by the National Endowment for Democracy, which are Republican and Democratic institutions of the U.S. Congress. That is not money from the CIA, but public money. We received money from national and foreign contributors who gave it directly to Mrs. Chamorro. We also received material support from the people, who did not pay us with money but paid for the trucks for transportation and donated the beef that the people ate at campaign feasts.

We know our campaign had no money from the CIA, and former president Ortega also knows that. He understands that clearly, but I think he has the right to ask the Supreme Electoral Council to issue an opinion regarding that. He has the right to request a clarification from former President Carter because NEWSWEEK seems to indicate that there was money from the CIA for other purposes. We must clarify the purpose of that funding. However, we had no money from the CIA in our campaign.

[Gonzalez] What can you tell us about the possible formation of a municipal police and the reactions from the Sandinists in that regard? The Sandinists say that [words indistinct] certain economic and political groups.

[Lacayo] The only government entity authorized to form a police force is the Government Ministry. That is the first thing we must clarify. Our Constitution does not grant any municipal authority the right to form a police force or any armed group. No political party has that right either. Thus, we believe that all those who want to form armed groups, whether they call them police... [31-second break in reception] [end recording]

Government Minister Hurtado on Security Corps

PA2710145391 Managua Sistema Nacional de Television Network in Spanish 0330 GMT 25 Oct 91

[From the nonofficial "Extravision" newscast, directed by Manuel Espinoza, former information minister under the Ortega administration]

[Text] Government Minister Carlos Hurtado has spoken to Extravision and stated that the only armed corps that may exist in the country are those specified in the Constitution: the police and the Sandinist People's Army.

[Begin Hurtado recording] Regarding the corps of inspectors, which is what the Managua mayoralty proposed, we are reviewing its contents closely; however, in principle, there must not be more than two armed corps here. They are the Army and the police. That is what the Constitution establishes. [end recording]

These statements reject the goals of several mayors—including the Managua mayor—who want to create their own police force.

On another topic, minister Hurtado justified the use of the police and the Army to solve labor conflicts.

[Begin recording] [Hurtado] Regarding union and labor problems, the ministry has been very flexible. I believe it is a demonstration of the government's policy. The workers have the right to protest and demonstrate but when there is public disorder—and we have discussed this with several union leaders—that is something else. That is beyond the field of the unions or claims and this complicates matters. Therefore, the police are forced to take action. There have been difficult situations. For example, on 21 October at the Labor Ministry there was a tremendous amount of violence. Two policemen were wounded because of the violence. The policemen did not act first; they were just stopping some people from forcefully entering the ministry. This resulted in a clash in which two policemen were wounded.

[Reporter] Will you continue to be tolerant with forces like those that on 24 October attacked a cooperative in Venecia and even murdered an old man? I am talking about the forces under the command of El Indomable [Jose Angel Moran Flores].

[Hurtado] I would not speak of tolerance. I speak of the possibilities and the right moment to do things. That man, like others who have participated in such activities, has been processed.

[Reporter] What do you mean by saying he has been processed?

[Hurtado] I mean that the crimes he has committed have been processed and will be passed on to the courts. The perpetrators will be tried. This will not go unpunished. This crime is surrounded by problems that are broad and general but that will be taken to court in due time.

Norway Grants \$1 Million for Army Reduction

PA2510232991 Managua Sistema Nacional de Television Network 0200 GMT 24 Oct 91

[Text] An important cooperation agreement for \$1 million was signed between the Norwegian Government and Nicaragua. This agreement will contribute to the reduction of the Army and other programs to assist those demobilized.

The economic aid agreement granted by Norway to Nicaragua was signed by Foreign Minister Enrique Dreyfus and Norwegian Ambassador Knut Vollebaek. This cooperation package has been allocated for phase two of the Army reduction project from July to December 1991.

[Begin Dreyfus recording] You can be sure that the funds you are granting us today will be used wisely. These funds will be scrupulously managed and we will render an account for every penny spent. [end recording]

Minister Dreyfus highlighted the efforts of the government to reduce the Army to 20,000 men by December 1991.

[Begin Dreyfus recording] As a result of this project, the Nicaraguan Army will be one of the smallest in Central America. [end recording]

This agreement confirms Norway's support for the democratic process in Nicaragua.

[Begin Vollebaek recording] We believe it is important to lend support to this specific government program for the reduction of Army officers, as well as to the other programs. What is important is to generate jobs, to offer work and alternatives for the people who have fought in a war for many years. [end recording]

A total of almost 3,000 officers will benefit from the reduction project.

Panama

Reports of Police Chief Resignation Unconfirmed

PA2610174791 Panama City EL PANAMA AMERICA in Spanish 26 Oct 91 p1A

[Text] A high level government source told this newspaper that National Police Director Gonzalo Menendez Franco is expected to resign in the next few hours. The source noted that Menendez Franco may resign because the Attorney General's Office is likely to order his suspension, based on suits filed by Legislator Gerardo Gonzalez and a group of lawyers against Menendez Franco.

Gonzalo Menendez Franco is accused of violating the Constitution by actively participating in the Arnulfista Party convention on 29 September. His resignation or suspension may come on 30 October at the latest, this source indicated, adding that there are two candidates to fill that post. According to some reports, two suits against Menendez Franco have reportedly been filed at

the Attorney General's Office. A hearing by the prosecutor would indicate that Menendez Franco has allegedly violated Article 338 of the Penal Code regarding the dereliction of duties by a public employee.

The punishment to be imposed on Menendez Franco is minimal but would compel the Attorney General's Office to request that he be suspended, something that would mar Menendez Franco's image. If he does resign, he would be the fifth National Police director to be replaced in 22 months of the Endara government. The previous National Police chiefs were Roberto Armijo, Eduardo Herrera, Fernando Quesada, and Ebrahim Asvat.

[Panama City LA PRENSA in Spanish on 26 October, page 1A, carries a 200-word report that states: "A political source who declined to be identified told LA PRENSA last night that National Police director Gonzalo Menendez Franco had resigned." The paper adds: "LA PRENSA has attempted to confirm the report but has been unsuccessful."]

Further on Resignation

PA2710182291 Panama City LA PRENSA in Spanish 27 Oct 91 p 1

[By Manuel Alvarez Cedeno and Zoila Rodriguez Jovane]

[Excerpts] On 26 October, it was reported that Gonzalo Menendez Franco had presented his "irrevocable" resignation from the post of Director General of the National Police on 25 February. He announced his decision after the opposition had presented charges against him for having violated the Constitution by participating in a political event; such actions are prohibited by Law No. 38, which established the Public Force.

An important government source, who requested anonymity, explained to LA PRENSA that Attorney General Rogelio Cruz would have removed Menendez from the post on 29 October if he did not resign. Cruz would have based his action on Article No. 338 of the Penal Code determining sanctions for public officials who break the law. [passage omitted]

Legislator Gloria Moreno de Lopez, who is a Christian Democratic Party vice president, believes that Gonzalo Menendez Franco's resignation as Public Force director is "appropriate." However, she added, the measure does "not exonerate" President Guillermo Endara of having disregarded a constitutional norm. [passage omitted]

The government source revealed that the following names have been mentioned as candidates to occupy the post of National Police Director on a temporary basis: Technical Judicial Police (PTJ) Director Oswaldo Fernandez, Immigration Director Antonio Dominguez, PTJ Deputy Director Jaime Abad, and Chiriqui Governor Edgar de Puy.

The source added that they have also considered appointing Deputy Police Director Mayor Dario Arrue as acting director until a civilian is appointed to the post.

Menendez, who will now return to his position as Magistrate of the Directorate for the Recovery of State Property, was appointed Police Director on 9 April, after President Endara expelled the majority PDC party from the government. At that time, Menendez replaced PDC Ebrahim Asvat at this post.

It was reported that Menendez met with the National Police directorate at approximately 1100 on 26 October to tell them that he had presented his resignation due to the PDC's campaign against him, which the Attorney General had joined. [passage omitted]

Commentary Views State of Relations With Peru

PA2610042591 Panama City CRITICA LIBRE
in Spanish 25 Oct 91 p 4

[Editorial: "Fragile Relations With Peru"]

[Excerpts] The call to Panama's ambassador to Peru, Gerardo Arias Linares, to return home for consultations has further cooled Panama's relations with the government of President Alberto Fujimori. We are on the verge of a break in diplomatic relations. Panama has not disguised its anger over the status granted by Peru to two former collaborators of General Manuel Antonio Noriega, Gonzalo Gonzalez and Heraclides Sucre. The Panamanian Foreign Ministry has charged that Sucre is the protégé of the Peruvian military elite, with which he maintains excellent relations.

No one really understands Panama's policy of granting safe-conduct to people and then requesting their extradition. This policy is the source of the conflict we are facing right now. A short while ago, the foreign minister of Guatemala made a similar commentary, but this matter has not been given much importance in government circles.

With the easing of Panamanian-Peruvian relations because of this incident, we are seeing a century of close relations with the Inca country being thrown overboard. This kind of incident sometimes leaves wounds that do not heal easily. [passage omitted]

Our tense relations with Peru must make us think carefully. It is a fact that Gonzalez, Sucre, and Edgardo Lopez Grimaldo must face Panamanian justice. In the future, to avoid embarrassing situations, we must control the granting of safe-conduct to people suspected of committing crimes.

The Panamanian authorities must understand that the image of Panama is at stake. Yesterday, the Japanese denied having approved a loan of millions [no currency given] to Panama, contrary to what had been reported by Panamanian authorities. This, added to the problems we have with sister nations, is negatively affecting us at home and abroad.

Panama's democracy is going through a crisis period and those of us who are struggling for the country, feel that we have the right to defend it and that we must do it while avoiding errors. The government has to do something to correct this situation. The Panamanians who are aware of our historic responsibilities call for rectifications. We cannot lose our democratic achievements.

It must be clear that democratic principles are irreversible, but we cannot function based on errors that are the product of arrogance and triumphalism. In case those who are governing us have not realized this, the incident with Peru is adding fuel to the fire by displaced people who are thinking that their dreams of revenge gain ground with every blunder that is committed. There is still time to make corrections. We still have a fatherland.

Further on Recall of Ambassador

PA2610143891 Panama City LA PRENSA in Spanish
25 Oct 91 p 1a

[Report by Elkilia Santos and Zoila Rodriguez Jovane]

[Text] Panama has recalled its ambassador accredited in Peru for consultations to analyze the situation between the two governments. Relations between Peru and Panama have deteriorated since intelligence reports in the hands of President Guillermo Endara revealed that Gonzalo Gonzalez, one of the military officers who had been granted political asylum in Peru, had departed for Cuba with official approval. The reports also revealed that another officer, Heraclides Sucre, is currently in hiding and is being protected by members of the Peruvian Armed Forces.

Endara stated that "Gonzalez is currently in Cuba and is being housed in a place called Pequena Lagunita, or Lagunita", an area set aside for very distinguished officers of the Cuban Government. President Endara added that Sucre's ties to the "elite" of the Peruvian Armed Forces are very good and he is being backed by members of this institution.

Endara said he does not know if Peruvian President Alberto Fujimori is aware of this situation, "but I have met President Fujimori and would prefer to believe that all of this is taking place without his knowledge."

Deputy Foreign Minister Jose Raul Mulino, who accompanied President Endara at his press conference, stated that despite Panama's displeasure, a break in diplomatic relations has not been considered. According to Mulino, "On 22 October, when Peruvian-Panamanian relations were carefully, calmly, and impartially analyzed, several possible alternatives on how the government could indicate its displeasure were also discussed." Mulino continued: "A break in diplomatic relations is clearly an alternative. It is an extreme alternative. The government has not yet considered this serious step and trusts that this situation can be overcome."

On the other hand, Mulino announced that in the coming hours Peru will be sending a special envoy to Panama. The envoy will have the status of plenipotentiary ambassador. He will speak with Panamanian authorities about the difficult situation that has come about as result of the political asylum granted by Peru to the military officers, who are loyal to Noriega and who are being charged with the murder of several of their comrades in arms.

The deputy foreign minister added that Panama has not determined what it will pose to the Peruvian special envoy since Panama was informed only recently of the visit of this official.

Gonzalez and Sucre are part of a group of 86 persons who sought refuge in several embassies and diplomatic offices in Panama after the U.S. Armed Forces' 20 December 1989 military intervention, which resulted in the overthrow of the so-called Panamanian "strongman."

The Peruvian Government recently cancelled the political asylum status it had granted Gonzalez and Sucre and issued orders for the arrest of the two former military officers. According to Mulino, Peruvian authorities place the blame for their disappearance on Gonzalez and Sucre themselves, "without even slightly considering the responsibility of the Peruvian Government to keep them under surveillance." Mulino also pointed out that Panama requested the extradition of Sucre and Gonzalez in due time for them to answer before the courts of justice for crimes committed in Panama.

On the other hand, Olimpo Saez, president of the Foreign Relations Commission of the National Assembly, believes that the escape of the former military officers Sucre and Gonzalez from Peru should not be a reason for Panama to break off diplomatic relations with that country. The Molirena [Nationalist Liberal Republican Movement] legislator stated that even "in a small country like Panama, people continue to escape."

Saez believes that Panama has been able to strengthen its relations with the countries of the region "by making many sacrifices." It has improved its relations particularly with the Group of Rio and it would not be correct for Panama to "move backwards" by breaking relations with Peru.

Endara, Peruvian Envoy Hold Talks

PA2710134291 Panama City ACAN in Spanish
2105 GMT 26 Oct 91

[Text] Panama City, 26 Oct (ACAN-EFE)—Peruvian diplomat Luis Solari met today with Panamanian President Guillermo Endara to discuss the cases of two former collaborators of deposed Panamanian General Manuel Antonio Noriega. The two officers sought asylum in the Andean country and their whereabouts are currently unknown.

A press bulletin issued this afternoon by the Panamanian Presidency said: "Views were exchanged during the meeting on the cases of former military officers Gonzalo Gonzalez and Heraclides Sucre, who were granted safe-conduct by the Panamanian Government in accordance with the Caracas Convention." The bulletin did not provide details on the meeting.

The meeting was also attended by Jose Raul Mulino, acting foreign minister of Panama; Rogelio Cruz, attorney general of Panama; Gerardo Arias, Panamanian ambassador to Peru; and Guillermo Fernandez Cornejo, Peruvian ambassador to Panama.

Panama announced Ambassador Arias' withdrawal on Thursday 24 October to protest the escape of Major Gonzalo Gonzalez and Captain Heraclides Sucre, whose extraditions are being requested because they have been charged with the assassination of 17 military officers in October 1989.

President Endara said this week that according to "reliable intelligence reports," Major Gonzalez is in Cuba and Captain Sucre is being protected "by elite Peruvian military officers, with whom he maintains excellent relations." Endara emphasized that he did not believe that his Peruvian counterpart, Alberto Fujimori, is aware of these irregularities. Fujimori is currently touring Europe.

Moreover, Acting Foreign Minister Mulino told the media that the ambassador's indefinite withdrawal is the first "strong" measure. He explained this to the ambassadors from the Group of Rio countries and added that the adoption of stronger actions in the future has not been ruled out. Referring to a possible rupture in relations, Mulino said this would be an "extreme" measure and would only be applied if the situation becomes "unsurmountable," but Panama believes there is currently no need to take such an extreme measure.

The Peruvian Foreign Ministry issued a communique in Lima on 25 October stating that Solari's trip is meant to provide the Panamanian Government with a fuller explanation concerning the decision adopted by Peru on 17 October to cancel Gonzalez' and Sucre's status as political refugees. The Peruvian envoy said he has received instructions to offer the Panamanian Administration all the necessary explanations concerning the case and to give assurances that the investigations will continue until Noriega's collaborators are arrested. The communique adds that Gonzalez and Sucre "flagrantly violated" the laws regulating their legal situation as political refugees in that Andean country.

Official Panamanian sources consulted by ACAN-EFE did not specify how many days Solari would remain in Panama or if he would meet again with President Endara.

Argentina

Justicialist Party Leads in Provincial Elections

PY2810151891 Madrid EFE in Spanish 1143 GMT 28 Nov 91

[Text] Buenos Aires, 28 Oct (EFE)—President Carlos Menem's Justicialist (Peronist) Party won the largest number of votes in the elections held in eight provinces yesterday. However, the party lost two governorships and three seats at the Chamber of Deputies.

Even though the counting of votes is progressing very slowly in most provinces, Peronism has undoubtedly won in Jujuy and La Rioja. The Peronist Party is also believed to have won in Santiago del Estero, where opposition Radical Civic Union (UCR) reported irregularities in the counting of votes.

Two provincial parties have broken the ruling party's longstanding rule in Chaco and Salta, where the Justicialist Party has been in power since 1983 when democracy was restored in Argentina.

The Chaco Action Party (PACH) won in Chaco Province. This party was founded by Colonel Jose David Ruiz Palacios, a former governor during the military regime that took power in the 1970's.

With 25 ballot boxes still to be scrutinized, PACH candidate Rolando Tauguinis has 1,517 votes more than the votes of the Peronist candidate in the tightest neck-and-neck election yesterday.

The Justicialist Party also lost in Salta, a traditional Peronist stronghold, where the election was won by former military governor Captain Roberto Ulloa, a Renewal Party leader.

The conservative Liberal Autonomous Pact won 41.5 percent of votes in Corrientes, while Peronists won 34.89 percent. The 26-member electoral college will decide whether the Pact will remain in power in that province.

The Pact, which sponsored the candidacy of Raul Romero Feris, won 12 seats in the electoral college, while the Justicialist Party won 10, and the UCR won four, which is why long political negotiations are expected.

Santa Fe and Rio Negro elected national deputies, because the elections for governor that were held in September and August, respectively, were won by Peronists and Radicals, respectively.

Peronists won in Santa Fe, although they lost one deputy, and the UCR once again won in Rio Negro.

Of the 34 elected seats for national deputy, preliminary results show that Peronists lost three seats in eight provinces, while the UCR lost one. The seats were lost to provincial parties. The PACH will have its first two deputies in Congress, the Renewal Party of Salta will add

two seats to the seat it won in 1989, and Popular Socialism of Santa Fe will add one seat to the one it already had.

The Rio Negro Provincial Party has lost its seat in Congress.

Elections in Catamarca and Tierra del Fuego are scheduled for 1 December.

Peronists won in 14 provinces, the UCR won in four, and various provincial parties won in four others.

Menem Comments on Elections

PY2810175591 Buenos Aires TELAM in Spanish 1255 GMT 28 Oct 91

[Excerpt] Buenos Aires, 28 Oct (TELAM)—Referring to the results of the 27 October elections, President Carlos Menem said: "The victory is very good for us. Argentina has demonstrated once again that it loves democracy, that it wants freedom; events that are now occurring in the country rise above and beyond these election results."

He said: "We are in a good position and we are doing well. There is no doubt about this. Yesterday's results confirm this." After saying that "Jose David Ruiz Palacios; Raul Romero Feris; and Roberto Ulloa for some time now have been saying that they support the national policy," he added: "If we include our allies, then we have more than 60 percent of the votes in the Argentine Republic."

In remarks to a radio station, Menem said: "If we include our allies, we have the support of more or less 143 deputies. If our allies do not fail us, and I do not see why they should—on the contrary, they can help us to transform the country—then we have a majority in Congress."

He added: "The allies have helped us, they gave us their votes. This includes practically all the provincial parties in Corrientes Province; in San Juan Province when Blockism, the San Juan Bloc Party, existed; and now in Salta where Justicialists had a good election. The victory of Roberto Ulloa was excellent." He commented that the governor-elect of Salta told him last night that "he is going to continue to help us."

Referring to the government's economic program, Menem stressed that "our adjustment is not savage; the proof is that the Justicialists continue to win." He reiterated: "There is total harmony within the cabinet, and they will accompany us in this program until 1995."

Regarding the decision adopted by the SOMISA [Argentine Iron and Steel Joint Association] workers on 26 October to enter the enterprise's plant in San Nicolas and resume their tasks, Menem said: "In my opinion, it was the most logical and just thing to do." [passage omitted]

Interior Minister Comments

PY2810160691 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1231 GMT 28 Oct 91

[Text] Buenos Aires, 28 Oct (NA)—Interior Minister Jose Luis Manzano said that the results of the 27 October election reveal that "the forces that support the current socioeconomic system represent almost 60 percent of the vote count." Manzano said: "This trend has continued during these elections with the difference that the Radical Civic Union [UCR] and the Justicialist Party [PJ] have obtained less representativity than in the 8 September election. This benefits the provincial parties which support President Carlos Menem's policy and the economic deregulation and the state reform process."

Manzano said: "This, rather than allowing the government to do what it wants, forces it to deepen the dialogue process because the people support the president." But the people are also very demanding with respect to the leaders and their policy systems. This is why "in some places they have voted for the provincial parties rather than for the PJ or the UCR."

Manzano said that before December the government will concentrate on the approval of several draft bills, such as the transfer of education facilities to schools, among others.

He reiterated that the rumors that have been disseminated in recent days on a cabinet reshuffle were not "invented by journalists but by one of our foolish people."

He made it clear "with great satisfaction, that neither the president, the secretary general of the Presidency, nor any of the eight ministers are responsible for these rumors."

In statements to Radio Mitre, Manzano said: "The rumors will disappear in the next few days and the country will see the great harmony that prevails within the government."

He described as a false rumor a report in a Buenos Aires newspaper, according to which Economy Minister Domingo Cavallo opposed his trip to Italy, a fact which really contradicts his statements because Cavallo "asked him to go for at least a one day."

Manzano thinks that Raul Alfonsin's decision to resign from the UCR leadership will allow the party to go through "a calmer recovery process." He added that Alfonsin "is a former constitutional president who deserves everyone's respect and acknowledgement. He probably has no other niche in the everyday political arena."

Menem Forecasts Seven Percent Inflation in 1992

PY2810233491 Buenos Aires BUENOS AIRES
HERALD in English 28 Oct 91 p 7

[Excerpt] (DYN-NA) La Rioja—President Carlos Menem stated over the weekend that economic adjustment measures will be stiffened so that "next year's annual inflation index registers about seven percent."

Menem made this forecast while speaking at the inauguration of a convention centre in the Hotel de Turismo in this city.

"The measures we have carried out in public-sector reform and our free market (policies) make me an optimist about next year's cost-of-living index," he told reporters.

During his speech he stressed that "the path taken is irreversible. There may be protests, there may be strikes but above and beyond the interests of different sectors are those of the Argentine Republic and I am going to defend them to the bitter end."

Regarding his administration's economic measures, the head of state said "hyperinflation and inflation have been definitively eliminated but we are going to step up economic adjustment measures so that annual inflation in 1992 remains below seven percent."

Menem also criticized those who claim that "this government is insensitive," contending that "insensitivity existed before when we suffered under 300 percent monthly inflation. It wasn't so long ago when supermarkets were attacked and people had to defend their property with arms."

"I want to remind all who speak of a lack of sensitivity that from the year's start 600,000 new jobs have been created and the Health and Social Action Ministry has invested 1.5 billion (thousand million) dollars in health, education and housing programmes." [passage omitted]

* Radical Party Sets Conditions for Dialogue

92SM00394 Buenos Aires CLARIN in Spanish
23 Sep 91 p 17

[Text]

The Radicals and the Condition for a Dialogue

With the internal debate on ice until after the 27 October elections, top leaders of the Radical Civic Union (UCR) reaffirmed yesterday that a political dialogue with the administration must be agreed upon only within the framework of the party structure.

The governor of Cordoba, Eduardo Angeloz; the head of the Federal Capital district, Fernando de la Rúa; the head of the Buenos Aires Province district, Juan Manuel Casella, and Leopoldo Moreau, a national deputy elect, reaffirmed the leadership of Raul Alfonsin in the UCR.

While Casella was of the opinion that Alfonsín "must continue to head the party because his disappearance would mean a leap into the void," De la Rúa contended that the UCR would move forward in the dialogue with the ruling party through consensus "and organizational participation, which," he emphasized, "is the foundation and guarantee of our action."

Angeloz, Casella, and De la Rúa said, however, that better relations with the administration depend on certain gestures that they feel Justicialism must first make.

Moreau, an orthodox member of Renewal and Change, interpreted the UCR crisis in his own way.

"In order for us Radicals to again have a consistent political agenda," he remarked, "we must refute the lies that the establishment and the Menem faction are spreading about the Alfonsín administration, and on the other hand we must have a clear-cut proposal in the socioeconomic field to counter this conservative model."

Moreau explained that "the Alfonsín faction in the UCR goes beyond Alfonsín himself. Its meaning," he added, "is a party in which the people matter more than the leaders, and its *raison d'être* is a commitment to the transformation of society, not to the comfortable status quo."

De la Rúa said that "a prerequisite for the dialogue is a battle against corruption, which entails broad access for the opposition to the monitoring of public acts."

As far as Casella is concerned, the administration must insure the workings of the democratic institutional system. "We cannot allow the autonomy of the Judiciary to be curtailed, the activities of Congress to be underestimated, or political parties to be discredited," he commented.

• Workers' Protests in Three Provinces Reported

92SM0039C Buenos Aires CLARIN in Spanish
22 Sep 91 p 3

[Text]

Social Repercussions of the Downsizing

The austerity measures and personnel cuts in defense enterprises have prompted opposition and protest in three provinces: Santa Fe, Rio Negro, and Jujuy.

The people's disgruntlement has focused on the various ways in which the authorities have reduced staffing levels. Phrases such as "making available" and "voluntary retirement" have been used to soften the harshness of the dismissals.

In Sierra Grande (Rio Negro) the wives of Hipasam workers plan to go on a hunger strike while their husbands travel to Buenos Aires to demand payment of their

back salaries and the preservation of their jobs. In this case the town will simply disappear if the enterprise is shut.

In Jujuy close to 2,000 people staged a protest demonstration over the release of 450 employees at Altos Hornos Zapla. In San Lorenzo, Santa Fe, workers at the Fray Luis Beltrán and Domingo Matheu defense plants took to the streets to prevent the sacking of 310 persons, who had previously been placed in the status of voluntary retirement, and to voice their opposition to the austerity measures taken by financial authorities.

Cavallo States Position on Joining Brady Plan

PY2810162491 Buenos Aires TELAM in Spanish
1408 GMT 28 Oct 91

[Text] Buenos Aires, 28 Oct (TELAM)—Economy Minister Domingo Cavallo said today: "We will join the Brady Plan when the moment is right for Argentina," and added that "we will decide when to do it, and we will not be driven by press reports that seek to depict us as if we were in a hurry, or as if we were desperately trying to negotiate while being held back from abroad."

Speaking at Government House, Cavallo said: "There is very good predisposition toward Argentina," but admitted that some press reports "say we are in a hurry and that bankers, multilateral agencies, or the U.S. Government are obstructing" our joining the Brady Plan. "This is not true," he said.

The minister attended a meeting at Government House between President Carlos Menem and representatives of the Autolatina Argentina Company.

More Japanese Input in Privatization Expected

PY2910001091 Buenos Aires CLARIN in Spanish
27 Oct 91 p 22

[Report by Silvia Naishtat]

[Excerpts] Officials charged with implementing the privatization program expect more active participation by large Japanese economic groups. Taking into account its gross domestic product [GDP], Japan, whose GDP amounts to nearly 60 percent of the U.S. GDP, is the world's second economic power. Japan has chosen to invest in other Latin American countries rather than in Argentina. Of the total \$58 billion invested abroad by Japan in 1990, Panama received \$1.342 billion and Brazil received \$615 million. Argentina received only \$213 million, but this was a giant leap when compared with the \$3 million it received in 1989.

Cito, a company that owns eight percent of the shares of Bahía Blanca Petrochemical Enterprise, and Manubeni, a "holding" company that does just about everything and that carried out the electrification of the Roca railway, are the two Japanese companies that are most likely to participate in the privatization of the 33

Defense Ministry enterprises consisting of petrochemical plants, shipyards, and the Argentine Iron and Steel Joint Association.

Japanese investors are, however, following a different timetable from that expected by their Argentine counterparts, who want a bigger share of Japanese investments in the River Plate Basin.

The main obstacle in Buenos Aires' efforts to attract business from Tokyo is the great distance between the two cities. Yet, there are prospects for exporting food items to Japan, which has few import barriers for these items. There is a long path ahead in attracting investments because Japanese eyes are set on Asia. Panama and Brazil are the two Latin American countries enjoying the preference of Japanese investors. [passage omitted]

Argentina has received only a minor share of Japanese investment in the region: \$213 million were invested in communications and transportation projects in 1990. This represents a giant leap, however. In 1989, Japanese investments only totaled \$3 million.

Argentina is in last place in the "ranking" of exporters to Japan; its exports account for 5.4 percent of the total of \$10 billion exported from the region. Brazil, which accounts for 32 percent of this total, is the leading exporter. Chile, which has earned its place with an aggressive trade policy, has exported a total of \$1.6 billion to Japan.

Buenos Aires does, however, have a large surplus in its trade balance with Japan. While Argentine sales of aluminum and cereal grains totaled \$539 million, its purchases of machinery totaled \$196 million. [passage omitted]

Bolivia

Bush Invited to Andean Pact Antidrug Summit

PY2910121691 La Paz Television Boliviana Network in Spanish 0200 GMT 29 Oct 91

[Text] President George Bush has accepted the invitation of the presidents of the Andean Pact countries to attend an antinarcotics summit next year. During this summit the presidents will evaluate the achievements of the antinarcotics struggle, seeking to adopt bolder measures to definitively defeat this scourge of humanity. Foreign Minister Carlos Iturralde said that this summit will have seven participants, the five Andean Pact member countries plus Mexico and the United States, and it will continue the same themes that were established two years ago in Cartagena.

[Begin Iturralde recording] Since we implemented a joint effort through the Cartagena Declaration, cocaine consumption in the United States has dropped. Drug mafias are being fought and trafficking routes are being intercepted in the whole region. We are working together,

creating alternative development and new trade opportunities in the hemisphere. We have negotiated bilateral agreements to strengthen a united front against drug abuse and trafficking. The supply of chemical components and money laundering are also being controlled. [end recording]

Regarding the conflict between Ecuador and Peru, Minister Iturralde said that the Bolivian Government is neither for nor against the pope's mediation. We seek peace based on dialogue because it is the only way to solve a conflict, the foreign minister said. He added that Bolivia is not mediating in this conflict.

Official Analyzes Coca Eradication Program

PY2810172691 La Paz PRESENCIA in Spanish 16 Oct 91 p 12

[Quotation marks as published]

[Text] The government is making the required efforts with the eradication and substitution of 7,000 hectares of coca by the end of this year.

Mauro Bertero, minister of Peasant and Agriculture and Livestock Affairs (MACA), reported that 4,300 hectares of coca were eradicated prior to 30 September and that the government "intends to eradicate 7,000 hectares by the end of this year."

The U.S. Government has announced that if 7,000 hectares of coca are not eradicated, it will not disburse the final \$22 million installment to support the balance of payments.

Bertero admitted that the coca substitution program is encountering some obstacles. A 100-pound load costs about 200 to 250 bolivianos, and this prevents the peasants from joining the Alternative Development Programs.

Bertero said: "Therefore, Interior Minister Juan Carlos Saavedra, the Social Defense Secretariat and the Alternative Development Secretariat are producing a joint program to reduce the load cost through a balance between "interdiction and alternative development."

Bertero said that the coca price will decline with the participation of the Armed Forces "because it represents very clear proof of the point that we are willing to achieve in the eradication of coca crops and the struggle against drug trafficking."

Bertero added that an Alternative Development Program was implemented in the country; new roads were built; and processing plants for tropical products and various alternative crops were established. He said that the peasants can voice their opinion on the status of this activity.

Concerning the time required to implement the Alternative Development Project, Bertero said it is quicker to

eradicate a coca plant than it is to draw up a productive project for the substitution of the coca economy.

Bertero admitted that the coca economy produces income and employment, but the surplus crops, used for the production of cocaine, represent the "illegal economy."

With respect to the Army's participation in the struggle against drug trafficking, Bertero said that for a long time the Bolivian Navy and Air Force were cooperating in the struggle against drug trafficking and that "trained Bolivian Army" battalions are now joining the struggle.

Brazil

Military Officials Voice Protest Over Salaries

PY2510002591 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Oct 91 p 5

[Excerpts] Brasilia—Three military officials took advantage of a ceremony to honor the Aviator's Day at the Brasilia Air Base to repeat that a campaign has been unleashed against the image of the Armed Forces and to protest over the lack of resources and the low salaries. President Collor listened to the complaints during the ceremony.

In his speech of welcome, Army Minister General Carlos Tinoco defended the "conscientiousness" of society over the military's desire to "prevent the deterioration of the Armed Forces." [passage omitted]

During a private cocktail party that lasted nearly 30 minutes, the ministers voiced their dissatisfaction over the current situation within the Armed Forces. Aeronautics Minister Brigadier Socrates Monteiro was the first to address the subject. He lauded Santos Dumont (Brazilian aviator born in 1873), and referred to the history of Brazilian aeronautics. He also praised the performance of Embraer [Brazilian Aeronautics Company] and the Brazilian Air Force. The last passage of his message reflected concern over what he called dishonesty by "some people who seek to tarnish the heroic image of what the Brazilian Armed Forces, together with the population, have achieved."

Monteiro said: "They object to our behavior, our capacity, and even to our need to survive. They appear to reflect secret internal or external intentions." He appealed to the Navy and the Army to promote "loyalty, unity, and professionalism" as the most appropriate ways for the Armed Forces to fulfill their "constitutional role." He warned those responsible for the campaign unleashed against the Armed Forces, saying: "They will not defeat either the impetus or the consciousness of our duty." [passage omitted]

Army Official Protests

PY2410141091 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 24 Oct 91

[Text] Army Minister Carlos Tinoco said that the Armed Forces are experiencing hard times, given budget restrictions and low military salaries. Gen. Tinoco protested the low military salaries and current budget restrictions. He added that there is a campaign against the Brazilian Armed Forces.

The Army minister also spoke on behalf of the Brazilian Navy during a meeting that President Collor held with military ministers and a few other civilian officials.

This meeting took place after ceremonies held to commemorate Brazilian Aviator's Day. On this occasion, Aeronautics Minister Socrates Monteiro regretted the bad faith of some who insist on hurting the Armed Forces' image.

Leaders Skip Collor's Luncheon

PY2810163691 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Oct 91 p 4

[Text] Brasilia—Proving their isolation from the rest of the government team, Army Minister Carlos Tinoco; Navy Minister Mario Cesar Flores; and Aeronautics Minister Socrates Monteiro did not participate yesterday in President Collor's luncheon with seven other ministers. The meeting lasted from 1300 to 1600. It was held at the house of Presidential Secretary General [title as published] Marcos Coimbra on Ministers Peninsula, the area of Brasilia where the ministers have their official residences. This meeting concluded a week in which Collor had personal clashes with military men following reports of irregularities during a bid sponsored by the Army for the purchase of uniforms, and bed and table linen.

Besides the military ministers, Foreign Minister Francisco Rezek and Rogerio Magri, the labor and social security minister who celebrated his birthday in Sao Paulo, did not attend the meeting. According to Justice Minister Jarbas Passarinho, who was the only speaker after the luncheon, the goal of the meeting was to integrate the government team. "It was a fraternal meeting," he said. He claimed that the president had at least three good reasons to celebrate: The inauguration of the first Integrated Center for Children's Support [Centro Integrado de Apoio a Crianca] (CIAC) in Brasilia; the successful Usiminas [Minas Gerais Iron and Steel Mills, Inc.] auction; and congressional approval of Provisional Measure 299 that expanded the number of "payment terms" ["moedas"] to be used during the privatization program sponsored by Planalto Palace. Referring to the sale of state-owned companies, Passarinho, said: "Now, the process will proceed."

Collor again asked his ministers to quickly respond to all attacks launched against the government. According to

Passarinho, the president intends to gather all the ministers every Saturday. Macaroni and roast meat was served at yesterday's luncheon. They had home-made candies as dessert.

During the meal, Collor preferred not to address economic problems. According to Passarinho, the meeting was not used to discuss any measure to combat inflation—not even the emergency tax reform sought by the government. After the meeting, Passarinho, asked the journalists: "Please, help us stop the doomsayers." He added: "There is not the slightest possibility of a new economic package or a freeze. Every time you talk about this, prices soar."

Collor Rules Out Possible Reduction of Mandate

PY2510125891 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 25 Oct 91

[Text] President Fernando Collor said that the Senate's decision to move the date for the plebiscite to elect a government system forward to April 1992 is historical but ruled out a possible reduction of his mandate.

The amendment's author, Senator Jose Richa, went to Planalto Palace with Senators Fernando Henrique Cardoso and Guilherme Palmeira and Deputy Nelson Jobim to disclose the Senate's decision. They assured the president that even if the parliamentary system wins, it will not be implemented before the end of the current government's term in office.

President Collor believes that the parliamentary system is an adequate government system. He insists, however, that its immediate implementation represents an act of violence against the Constitution and the people who voted for him.

The amendment still has to be submitted to one vote in the Senate and two votes in the Chamber of Deputies.

Army Experts Assess Materiel Bidding Process

PY2710001691 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 26 Oct 91

[Text] The Army Ministry's bidding process for the purchase of uniforms and bed and bath linens was still unapproved, not because of orders from President Fernando Collor, but because it is being assessed by Army experts.

Should it be approved, the winners of the tender will be paid approximately 60 days later, without any adjustments.

This information was reported by General Iris Lustosa de Oliveira, director of the Army General Services Department, at Minister Carlos Tinoco's request.

Gen. Lustosa said during a news conference that O GLOBO reports of inflated prices are not true.

[Begin Lustosa recording] No particular enterprise is going to profit. Look here, all enterprises capable of competing were given a chance. Those who were not capable of competing had to pull out, that is all. [end recording]

According to Lustosa, the Army opened all doors to the National Audit Court, which is in charge of looking into the bidding process, and he hopes that the results of the investigation will be disclosed before 7 November when 70 billion cruzeiros should be disbursed to purchase the uniforms. Therefore, it is impossible for the Army to lose 80 billion cruzeiros as O GLOBO reported.

Charges of Selling Children's Organs Refuted

PY2610160891 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 26 Oct 91

[Text] Foreign Minister Francisco Rezek said that the charges that Brazilian children adopted by foreigners are used to donate their organs in other countries were never proven.

Rezek also dismissed the possibility of Itamaraty intervening in the adoption procedures of Brazilian children by foreigners.

PSDB Supports Privatization, National Accord

PY2610015291 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 25 Oct 91

[Text] The Brazilian Social Democracy Party, PSDB, announced today its support for the project for the privatization of state-owned companies. PSDB leaders met the presidents of the regional boards in Brasilia this morning and again defended the need to achieve a national accord.

[Begin recording] [Reporter Alvaro Pereira] During the meeting, some of the top PSDB leaders discussed the national economic and political situation and reasserted that a political accord is the only way to solve the economic crisis, allowing a resumption of national growth. The only difficulty, however, is how to achieve this accord.

Another topic discussed at the meeting was the privatization of Minas Gerais Iron and Steel Mills, Inc. The PSDB supports government participation in the social area, particularly in education and health assistance. Therefore, the party supports the privatization process begun by the government.

[PSDB Chairman Tasso Jereissati] Undoubtedly, this is an important step in modernization of the Brazilian economy.

[PSDB Congress leader Fernando Henrique Cardoso] This is a positive sign that Brazil is a mature country, and it will defend its interests and define minimum prices with careful criteria. From here on, we will begin to develop. [end recording]

FRG's Kohl on Germany's Future, Brazilian Ties
LD2810234691 Hamburg DPA in German 1344 GMT
 28 Oct 91

[Text] Rio de Janeiro (DPA)—During the penultimate stop on his 11-day visit to South America, Chancellor Helmut Kohl spoke in Sao Paulo today in favor of an active structuring of a united Europe. In a general speech to representatives of the German-Brazilian Chamber of Trade and Industry, Kohl said on Sunday: "The German national state of the old type has gone; the future of Germany lies in Europe." In three to five years, Kohl added, the economic upswing in Eastern Germany will succeed. The overcoming of the damage in human cooperation after 40 years of dictatorship in the GDR will, however, take longer.

With regard to the Latin American countries, Kohl reiterated that the Uruguay Round GATT negotiations on the liberalization of the world markets must be successfully concluded this year. A conjoint solution also has to be found to the problem of foreign debt of the countries of Latin America.

Kohl encouraged Brazil to pursue the path of economic and political reforms and to promote a cooperation of all Latin American countries along the lines of the EC. He called for worldwide cooperation in the protection of the environment: "The end of the worldwide arms race gives us for the first time the chance to concentrate all forces on the solution of our global tasks in environmental protection; development aid; and in the securing of peaceful economic competition to the advantage of all," he said.

Kohl supports a swift agreement on the promotion of protection of investment between Germany and Brazil. He also stressed that German involvement in the protection of the rain forest was intended as help for self-help and that the environment and development were inseparably linked. "So this is not a question of imposing our will or interfering".

Following an extended visit to the Amazon primeval forest near Manaus and a visit to Sao Paulo, Kohl was expected in Rio de Janeiro to conclude his trip to South America. In Rio, a meeting with the socialist governor of this federal state, Leonel Brizola, and a cable car trip on the Sugar Loaf Mountain were planned.

Inclusion in Iran's Reconstruction Plan Sought

PY2510135891 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 25 Oct 91

[Text] Foreign Minister Francisco Rezek will visit Iran seeking Brazil's participation in the plan to rebuild that country.

Rezek, who will head a delegation of 20 businessmen, will try to close deals amounting to at least 10 percent of the \$120 billion that the Iranian Government intends to invest in the country's reconstruction.

Rezek will visit Iran from 4 to 6 November. During his visit he will also preside over the Brazilian delegation's participation in the second meeting of the Joint Brazilian-Iranian Commission.

On 7-9 November, Rezek will visit Egypt, where he will discuss the tightening of bilateral relations with that country.

*** Report Cites Environmental Views for Rio-92**

[Article by Lucia Toribio]

92SM0048B Rio de Janeiro 0 GLOBO 28 Sep 91 p 24

[Text] Brasilia—The Brazil that will be introduced to the international community via the report prepared for the United Nations Conference on the Environment and Development (Rio-92) is a poor country, physically deteriorated, that has suffered the environmental impacts of the development policy available to the Third World.

According to the document, released on Wednesday, Brazil faces not only situations of environmental degradation associated with "excess" development (pollution and waste of resources), but situations described as an "absence" of development, or perverse development (poverty and socioeconomic inequality).

But the national X-ray, which does not hesitate to criticize the developmentalist option followed by this country or to point out its devastating effects on the environment, places the Brazilian reality within a worldwide context, where it identifies "the exhaustion of a development style that proved to be ecologically predatory, socially perverse, and politically unjust."

Rather than sitting down in the prisoners' dock and acknowledging its sins, Brazil reaffirms that it is unwilling to compromise its economic growth process for the sake of maintaining a healthier world environment, and asks the countries of the First World to accept their own responsibilities.

"Although both the government and society bear responsibilities for the existence of serious environmental problems, there is a consensus that the industrialized nations are primarily responsible for the gravity of the problems found on a worldwide scale. It is, then, natural to suppose that the developed world would promote and finance the cleanup of the Planet," the document reads.

The Brazilian Government takes advantage of the report to refute ideas and proposals that have arisen in international fora and will certainly gain adherents in the debates during the U.N. Conference on the Environment. This is the case, for example, of the interpretation that the natural resources are "assets of humanity" and should be under the guardianship of the world's nations as a group.

Brazil's reaction, expressed in the report, is: "It would be unreal to suggest that certain resources belong to

humanity as a whole, when in fact they are located within national jurisdictions. If it were true that they should be shared in a sort of "world fund," it would be no less correct to suggest that economic, political, and technological power should also be shared by all the nations of the world."

Brazil acknowledges that globalization of the environmental problems dictates a revision of traditional concepts of "national sovereignty" and "strategic security." But that revision should not give credence to what the document terms the "ingenuous perception." The Government also refutes the theory that justifies implementation of population control in the countries of the Third World on the grounds of exhaustion of their natural resources.

The report calls that position "irresponsible and morally censurable," and cites the true situation in the developed countries: Environmental pollution in the leading industrialized countries has risen at rates infinitely higher than the growth rates of their populations."

The document, prepared by the Brazilian Government and released last Wednesday, will be reviewed by the Interministerial Council on the Environment (CIMA) on 9 October.

Social Inequality Aggravates Problem

"The concentration of land ownership, inequality, and absence of social mobility in rural society are phenomena that are at the root of the economic, social, and environmental problems of Brazil." Starting from that premise, Brazil's report for Rio-92 identifies in the development model adopted by this country the principal causes of the deterioration of the Brazilian environment.

In agricultural and industrial production, and in mining, the Brazilian economy has been characterized in recent decades by priority attention to the foreign market. Export incentives, intended to generate foreign exchange with which to pay off the external debt, were the factors responsible for the proliferation of crops produced for the world market—such as soybeans, coffee, oranges, and sugar cane.

Increased output of those crops left a trail of destruction, characterized by loss of forest cover (in Parana, for example, 70 percent of the forests have been lost in 40 years), pollution by chemical fertilizers, and by the erosion of farm land. Industrial expansion, according to the report, followed patterns of concentration in areas that now face environmental problems of alarming dimensions.

The document cites as examples the industrial complex at Cubatao (erected on a site where the soil is unsuited to the dispersion of pollutants); the Camacari Petrochemical Complex [Bahia State] (where, despite technological advances, environmental problems still exist because of the high permeability of the soil there); and the Grande

Carajas Program (which is helping to accelerate the pace of deforestation in that region).

The report does not, however, mention the Calha Norte Program and the Vale do Rio Doce Company which, in the initial version of the document, were blamed for the extermination of several Indian groups in the Amazon region, especially the Yanomami.

Latin American Front To Be Proposed

The report that Brazil will send to the United Nations in mid October gives an advance indication of the position this country will take at Rio-92. Brazilian negotiators will suggest that Latin American countries start working as a bloc. The document advocates "new forms of cooperation and coordination among the countries of the region," to counterbalance the coordinated action of the developed countries as they defend their interests.

Brazil puts part of the blame for the failure in the negotiations of Latin American foreign debt on the individualization of creditors and debtors that "buried the basis for a multilateral negotiations." That mistake, the report argues, should not be repeated in negotiations on environmental questions.

Acting as a bloc, the developing countries should use the conference to ensure the transfer of technology and a resumption of the flow of credit. Without that resumption, the Third World will be unable to carry out any environmental plan or launch any effort to implant alternative means of achieving sustained development.

Chile

Aylwin Opens United Labor Federation Congress

*PY2910013891 Santiago Radio Chilena Network
in Spanish 1600 GMT 28 Oct 91*

[Text] President Patricio Aylwin today attended the opening ceremony of the first regular congress of the United Labor Federation (CUT), which will convene at the Municipal Theater until 30 October and at which the new CUT board will be elected.

Speaking during the ceremony, CUT President Manuel Bustos stated that the union movement will continue to support democracy despite disagreements that the unions might have with the government.

[Begin Bustos recording] The conflicts or disagreements we might have will not cause us to change our decision to cooperate in the democratic process. Although this cooperation is our main objective, we will maintain our autonomy and independence to raise questions to the government, political parties, and businessmen about those decisions that are not clearly in keeping with workers' interests. [end recording]

Bustos said the CUT will continue to strive for its legitimate gains, but it will not play into the hands of those who want to provoke chaos and anarchy to destroy

the democratic process. He urged the president of the Republic to make a greater effort to put an end to the issue of political prisoners.

[Begin Bustos recording] We are aware that this problem was not created by democracy. Yet, the democratic process inherited many problems, including those of missing, tortured, or exiled people. You, Mr. President, have had the courage to inform the nation and have asked forgiveness for those who committed the crimes. We wish Chile to become again a nation of reconciled brothers. Stumbling blocks, such as having political prisoners, will certainly not help in achieving these objectives. [end recording]

Bustos stated that the first regular CUT congress under democracy should be instrumental in conducting self-criticism and correcting errors. He said the main challenges for the next few years is to set the retirement age for women at 55 and for men at 60 and thus, make more jobs available for young people. He added that they must also promote new labor reforms and the ratification of pending agreements with the International Labor Organization.

The CUT congress, which will end on 30 October, will elect a new executive committee, consisting of 15 members, and the national council of delegates, consisting of 40 representatives. There will be four tickets submitted during this congress: The first ticket is put forward by the Christian Democratic Party, which will also include radicals and the Party for Democracy; the second ticket is socialist; the third is communist; and the fourth is put forward by the recently created Movement for Union Independence [Movimiento por la Autonomia Sindical].

President Aylwin clearly stated that his government will not privatize enterprises such as the Copper Corporation [Codelco]; the National Mining Enterprise; the National Petroleum Enterprise; the State Bank; the Railway Enterprise; Sanitation Services; and the National Coal Enterprise. He announced his decision during the opening ceremony of the first CUT congress, at the Municipal Theater.

[Begin Aylwin recording] We believe it is in the interests of the higher common good, in the common good of Chile that these enterprises be kept in the hands of the state. It is possible, however, for us to consider in some cases—such as that of Codelco with regard to new projects and some areas of the Railway Enterprise's activities—an association with private companies to obtain funds to achieve greater efficiency and better performances by these enterprises. [end recording]

Aylwin urged the workers to refrain from asking for what they know is impossible or indulging in petty demands. The government, he said, continues to believe in a macroeconomic balance because making the mistake of spending more than we can make would mean failing as a government and worsening the situation of the have-nots.

Aylwin added that the current progress should not lead us to believe that we have succeeded; to defeat poverty we must have discipline, clear ideas, time, and coherence. He said that we will not solve our problems by either cherishing a market policy or by promoting a populist, statist policy. He made it clear that the correct course is the one the country was treading; that is, a course seeking to promote equitable economic development. He asked for the labor sector's cooperation in this endeavor.

Police Arrests of Terrorist Group in 7th Region

PY2910124891 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 29 Oct 91

[Text] Jorge Burgos, deputy director of the Public Security Coordinating Office, reported that legal actions were ordered against a MIR [Movement of the Revolutionary Left] operational group in the 7th Region.

This group is allegedly involved in the murder of a guard during an attack on a museum in Talca last year. Concerning the legal action ordered by the Interior Ministry to the 7th Region, Burgos said:

[Begin recording] Police organizations informed the government that members of an important MIR operational group were arrested. The police have evidence that this group participated in crimes in various townships of the 7th Region.

According to the police report that will be submitted to the Talca Appellate Court, some of these criminals reportedly participated in the attack on a museum in Talca, where a guard was murdered. They are also charged with bomb attacks, bank robberies, and a series of criminal actions that must be punished in keeping with the antiterrorist law. [end recording]

According to Interior Ministry officials, the police have successfully dismantled the group, seizing several of their weapons. The group was initiating criminal actions in the 7th Region.

In reply to a journalist's question at La Moneda Palace, Burgos said that this action does not mean that the subversive organization has been dismantled. He said: I think that authorities should be cautious when stating that organization was dismantled. This group was deactivated, a fact that represents an important step.

Communists Note Concern for Political Prisoners

PY2910024491 Santiago Radio Chilena Network in Spanish 1600 GMT 28 Oct 91

[Text] The Communist Party of Chile [PCCh]—through its leader Mireya Baltra—stated that the political prisoners who were pardoned should not be blamed for acts of violence. Baltra and other PCCh leaders met with Ricardo Solari, under secretary of the Secretariat General of the Presidency.

In this regard, she said that none of the political sector should irresponsibly link strugglers for democracy with criminal actions. She said that the problem is not to shift from defense to attack and not to play the right's offensive game. One should have the character and political presence to confront the right's proposals.

Balra linked the death of Senator Jaime Guzman with the fact that the Rettig report has not reached the entire population. She also said that the disappearance of Cristian Edwards del Rio, the EL MERCURIO newspaper manager, could be tied to the arrest of the former DINA [National Intelligence Directorate] Director General Manuel Contreras.

The PCC leaders also voiced their concern because some pardoned prisoners were questioned again and sent back to prison, but they did not explain whether the measure was adopted because of previous reasons or new demands.

They also voiced concern about the hunger strike by six political prisoners and the difficulties confronting the Manuel Rodriguez Front in rejoining society.

Military Administrative Actions Called 'Normal'

PY2410195791 Santiago EL MERCURIO in Spanish
18 Oct 91 p C4

[Summary] Defense Minister Patricio Rojas Saavedra stated yesterday that the process of promotions, retirements, and the reorganization of Army and Air Force Commands "are perfectly normal, respecting all constitutional provisions for the Armed Forces."

Regarding promotions and changes within the Navy and the Carabineros, the defense minister said that Navy Commander Admiral Jorge Martinez Busch is expected to arrive very soon from the United States. He will then hold meetings to prepare the proposals to be submitted to President Aylwin. Busch is participating in a seminar in Newport, Rhode Island. Rojas added that the Carabineros are also in the process of preparing their proposals. When they are finished he will meet with Director General Rodolfo Stange.

Carabineros Refute Article on Drug Trafficking

PY2710002891 Santiago Radio Nacional de Chile
Network in Spanish 1600 GMT 26 Oct 91

[Text] The Carabineros voiced their disagreement with the headlines and content of an article published yesterday by the daily LA SEGUNDA. According to the article, marijuana trafficking has gotten out of hand.

The Carabineros, through an official communique, stated that the text of the interview does not reflect what the interviewed Carabinero OS-7 force officer said. The communique reads that it is a mere deduction or conclusion by the journalist.

The Carabineros High Command adds that on numerous occasions, they have emphatically stated that the drug problem in Chile is under control, but this does not mean that the Carabineros are not concerned about the problem, to which they devote most of their human and technical resources.

The communique reads that the LA SEGUNDA article confuses the public and seems to encourage people to consume drugs because it mentions that outstanding individuals, who consumed drugs in the past, are now successful people.

*** PPD Discusses Merger With Socialists**

*** Fears Identity Loss**

92SM0028A Santiago EL MERCURIO in Spanish
24 Sep 91 p C7

[Text] PPD [Party for Democracy] Vice Chairman Schaulsohn says his organization has no ideology, does not share what have traditionally been regarded as socialist ideas, and has nothing in common with Marxism or Leninism.

He also maintains that many years will pass before a socialist becomes president of Chile.

Education Minister Ricardo Lagos believes that "an understanding leading to a merger may be possible over the medium or long term."

PPD Vice Chairman Jorge Schaulsohn declared that if the Socialist Party [PS] is prepared to merge with the PPD, this means that the PS has ceased to be socialist.

He explained that his party is not socialist but is a progressive party. Speaking for himself, he rejected the statement made in a letter by 15 socialist deputies to the effect that the two parties need to merge.

"If the PS is prepared to merge with the PPD," he added with emphasis, "it means that it has ceased to be socialist. The PPD is a progressive party that has no ideology, that does not share what have traditionally been regarded as socialist ideas, and that has nothing in common with either Marxism or Leninism. In the PPD there are even some persons of conservative political orientation. Ours is a programmatic party that seeks progress through solutions that are attainable, and through a search for consensus."

At the conclusion of the press conference held yesterday at PPD headquarters Schaulsohn added, however, that if what the deputies are proposing when they talk of merger is that the PS should break definitively with its past, "then," he said, "speaking for myself—I say we can talk." Replying to a journalist's observation that there are "reinvigorated" socialists both in the PPD and in the PS, he explained that although the PS membership "does include some PPD members, we are not a socialist party."

A New Force

Schaulsohn repeatedly emphasized that the PPD and the PS are completely different organizations and that even though some individuals theoretically belong to both parties, their numbers are steadily decreasing. Nevertheless, he said, efforts are being made to establish a policy of cooperation with the PS—a policy based on respect for autonomy.

The deputy went on to emphasize his personal belief that if the PS is willing to break with the past it will be an interesting process, but at the same time warned that there will be neither a merger nor a federation between the PS—as presently constituted—and the PPD, nor any confusion of the one with the other. He said it was also true that no decision had been reached to form a united front for the election campaign—a possibility that is under study—while emphasizing that the PPD is a different kind of political alternative in that it is a political alternative to the past—a past which also includes the PS, he added.

In the PPD, he explained, "we are not engaged in any process of 'renovation.' The PPD is not 'renovating' itself. As an institution, it is something new. The theme of 'renovation' and breaking with the past," he said, "is a theme of the socialists."

He declared that the proposal set forth by the deputies in their letter—which he regards as interesting—should be addressed to the PS rather than to the PPD because, he said, "we are already involved in something different."

Presidential Candidate

Schaulsohn also stated that Minister of Education Ricardo Lagos "would be the ideal president of the Republic for Chile," but explained that the subject of the presidency will not be taken up in the PPD until March 1993, in accordance with the decision of the party's national executive committee.

Asked whether the PPD leadership regards Lagos as a socialist or as a member of the PPD, Schaulsohn replied: "Ricardo is a member and leader of the PPD, but he is also a leader who transcends the PPD." Asked whether Eduardo Frei Ruiz Tagle will decide to announce his presidential candidacy before March, Schaulsohn said: "That is Eduardo Frei's problem. He is fully within his rights, and in a democracy this is a normal occurrence."

Asked how he would regard a socialist candidate for president of the Republic, he repeated that such a person would be just a candidate and no more. "That is because," he said, "Chile will not have a socialist president of the Republic for many years, and I believe the PS needs to understand this. The best way to liquidate a presidential candidate from the very start is to pin the socialist label on him."

On the other hand, he said that in his opinion a PPD presidential candidate has a far better chance to be

elected than a PS candidate. "A candidate from a progressive political background who is committed to democracy," he emphasized, "would also have good prospects, but to label anyone who aspires to be president of the Republic a PS candidate is to destroy his chances."

Ricardo Lagos

Minister of Education Ricardo Lagos replied yesterday to journalists' questions about a document in which a group of members of Congress seeks the merger of the Socialist Party with the PPD. "In my opinion," he said, "what is being proposed is a process of understanding and rapprochement between the PS and the PPD, and this would indicate that over the medium or long term there could be an understanding that would lead to merger."

"If the two parties," he continued, "work toward a common goal over a long period of time, it is normal that in the long run a phenomenon of this nature could result. I believe, however, that before this happens it will be necessary to walk side by side for a long time, inasmuch as each party has voiced a desire to preserve its own identity."

When asked what might happen if the two parties found a common candidate, Lagos replied that the presidential issues "will be discussed in 1993."

* Rejects Merger

92SM0028B Santiago *EL MERCURIO* in Spanish
25 Sep 91 p C4

[Text] The Party for Democracy [PPD] yesterday reiterated that it does not have a merger with the Socialist Party [PS] on its agenda for either now or the near future, nor the creation of a new political party, because "the PPD is a new force, and it would be entirely contradictory and absurd to think that it could dissolve itself to form a new party with the socialists."

In this way, the PPD has rejected—and closed the door on—any possibility of a merger with the PS in the short or medium term, as had been proposed by 15 socialist deputies in a letter addressed to the national chairmen of the PPD and the PS, respectively Erich Schnake and Jorge Arrate.

The refusal of the PPD to merge with the PS was made official at a press conference yesterday by Senator Laura Soto (the acting chairman), Deputy Maria Maluenda, and Vice Chairman Jorge Molina. When asked for an explanation, Molina proclaimed himself to be more "PPDist" than socialist.

On Monday PPD Vice Chairman Jorge Schaulsohn had also ruled out the possibility of a merger with the PS, even stating that if the party led by Jorge Arrate wants a merger it must mean that the PS will cease to be socialist, because, he said, "we of the PPD are not socialists."

Molina also emphasized yesterday that he does not want the identity of the PPD to be confused with that of the PS. He explained that the PPD "is a force on the rise that enjoys great support among the public and should develop its potential, and the best way to do that is to display a profile of its own." Nonetheless, he said, the PPD is prepared to collaborate politically both with the PS and with the Coalition. Although Molina rejected the merger proposal of the socialist deputies, he expressed the hope that the talks looking toward an alliance would be successful so as to present a united front in the municipal elections.

At the same press conference the acting chairman, Senator Laura Soto, emphasized—in response to questions from journalists—that there has been no merger with the PS, "because," she says, "the PPD is consolidating its strength and has a profile of its own."

Senator Laura Soto took the occasion to read the PPD's official statement concerning the letter of the 15 socialist deputies.

She also stated that it is premature at the present moment to analyze matters relating to the congressional and presidential elections. She emphasized that the memorandum to be drafted during the talks concerning a prospective alliance would be intended as an election agreement, not a programmatic agreement.

Envoy to Haiti Recalled; Arrives in Santiago

PY2910113491 Santiago LA TERCERA DE LA HORA in Spanish 24 Oct 91 p 6

[Excerpts] Chilean Ambassador to Haiti Luis Larrain will not return to his post until after Foreign Minister Enrique Silva Cimma has consulted with other Latin American countries. In the meantime, Larrain will stay here waiting to see the course of developments in that Caribbean country. [passage omitted]

Silva said yesterday that Chile has made no decision on the case of Haiti, that the embassy is in the hands of a charge d'affaires. He added that Haitian Foreign Minister Jean-Robert Salavat, who had requested that the Chilean Government grant him political asylum, will not, the time being, be availing himself of this right "because he is adequately safe." [passage omitted]

Larrain was "recalled for briefing." He arrived in Santiago on 22 October. This is a technical diplomatic expression that is used to keep an ambassador temporarily away from his host country.

Larrain said the Chilean Embassy in Port-au-Prince is operating normally under Minister Counselor Ricardo Figuelist, who was sent from Miami to head the mission as charge d'affaires. [passage omitted]

Silva Prepares for President Collor's Visit

PY2810131891 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 28 Oct 91

[Excerpt] Foreign Minister Enrique Silva Cimma begins his official activities in Brasilia today. He traveled to Brazil yesterday afternoon to arrange the visit of Brazilian President Fernando Collor to Santiago.

Collor will visit Chile on 18 and 19 December, following President Aylwin's visit to Brazil in July 1990. Silva will meet on 28 and 29 October with President Collor; Brazilian Foreign Minister Francisco Rezek; members of the federal legislative chambers; and members of the Supreme Federal Court. Chile and Brazil are the two countries in Latin America that enjoy the most active commercial trade. This is why Brazil wants Chile to join the Common Market of the South [Mercosur], which was created in March 1991. Chilean authorities are, however, reluctant to join Mercosur because Chilean custom tariffs are lower than those of Brazil, Argentina, Paraguay, and Uruguay, which form Mercosur. [passage omitted]

Silva Comments on Poisoned Grapes Case

PY2410143091 Santiago Radio Cooperativa Network in Spanish 2200 GMT 23 Oct 91

[Text] The government will resort to the Bryan-Suarez Mujica Treaty if the lawsuits to be filed by the private sector in the case of the poisoned grapes are unsuccessful. Foreign Minister Enrique Silva Cimma said that if the diplomatic complaint that was lodged before the United States is unsuccessful and if the legal proceedings by Chilean exporters do not make progress, the Chilean Government reserves its right to invoke this treaty, which allows an international committee of jurists to settle bilateral relations problems.

[Begin Silva recording] If the diplomatic complaint filed since the problem began does not develop positively—we are waiting for the private businessmen to initiate the appropriate legal actions before the U.S. courts since the Chilean Government cannot file a lawsuit before a U.S. court seeking justice in this case—we will place a complaint before the Bryan commission (of the 1914 treaty). [end recording]

The foreign minister made this statement during a special session in the Chamber of Deputies to analyze a draft bill being discussed in the U.S. Congress that, according to the National Renewal Party, allegedly discriminates against Chile regarding military assistance.

Silva and Defense Minister Patricio Rojas said that such a draft bill does not imply that the U.S. Congress will reject plans of military aid for Chile.

Peruvian Defense Minister Begins Official Visit

PY2910120891 Santiago Radio Nacional de Chile
Network in Spanish 1000 GMT 29 Sep 91

[Relay by Francisco Contreras]

[Text] Peruvian Defense Minister General Jorge Torres Aciego, Retired, will meet with the president of the Republic and Armed Forces commanders today.

He arrived in Chile at the invitation of Chilean Defense Minister Patricio Rojas on a reconnaissance visit and to strengthen bilateral friendship and cooperation relations. Torres was met at the international airport by his Chilean counterpart Patricio Rojas.

Following the appropriate ceremonies, Torres told the press that any danger of tension or conflict between Peru and Ecuador has faded and that the situation is being handled by the Peruvian and Chilean Foreign Ministries. Concerning the manufacture of the Lightning rocket by the Chilean Army, Torres said that it was excellent because it proves that Chile is technologically progressing.

Torres met with Patricio Rojas; General Nicolas de Bari Hermoza, Peruvian Army chief of staff; Edmundo Vargas, Chilean Foreign Ministry under secretary; Chilean Ambassador to Peru Alejandro Magnet; Peruvian Ambassador to Chile Alfonso Rivero; and the defense under secretaries during a lunch at the Diego Portales building.

Torres will meet today with the Chilean Armed Forces and Carabineros commanders and with President Patricio Aylwin.

Colombia**Polls Open for Legislative Elections 27 Oct**

PA2710134991 Hamburg DPA in Spanish 1232 GMT
27 Oct 91

[Text] Bogota, 27 Oct (DPA)—The elections to elect Congress and the departmental governors began in Colombia at 0730 after the singing of the national anthem at the historic Plaza Bolivar in the center of Santa Fe de Bogota.

The Colombians will elect 102 senators; 161 representatives to the lower house; and 27 governors.

Approximately 15 million people over 18 are eligible to vote, but it is estimated that the abstention might reach 70 percent.

The National Civil Registry Office, which is in charge of the elections, has installed 7,092 polling sites with 51,995 voting tables.

The voting will end at 1600 (2100 GMT).

Preliminary Results Reported

PA2810163491 Santa Fe de Bogota Emisoras Caracol
Network in Spanish 1215 GMT 28 Oct 91

[Text] Santa Fe de Bogota—The elections held in the country on 27 October, with approximately 70 percent abstaining, resulted in an overwhelming victory for the liberals. They also resulted in the birth of a new civic force headed by a conservative, and in the procurement of political space for minority movements headed by former guerrillas, Indians, and Christians. For the fourth time in less than 20 months Colombians went to the polls to renovate the Congress, and for the first time to elect their governors.

The Liberal Party ratified its majority in the Senate and the Chamber of Representatives. It obtained 57 seats in the Senate and 86 in the lower chamber, with 86 percent of the voting ballots having been counted. Conservative Andres Pastrana and former M-19 [19 April Movement Democratic Alliance] guerrilla Vera Gave declared themselves winners.

The liberals obtained 15 governorships; the conservatives obtained four; and different coalitions, especially from traditional parties, obtained 12. The M-19 and the National Salvation Movement [MSN] governor candidates won in two departments.

With 4.6 million votes—more than 86 percent of the votes—counted, the Senate will have 57 liberals; 15 conservatives; nine M-19; nine Democratic New Force; and five MSN members. The Christian Movement, which emerged as a political force during the past December elections, won the election of three senators. The Patriotic Union [UP] obtained a seat in the high chamber and soothsayer Regina Bethancur de Liska is still in the race for a seat because she obtained the highest number of residual votes. In accordance with the new Colombian Constitution, two Indians will also have seats in the Senate.

The Chamber of Representatives will be formed by 86 liberals; 15 Social Conservative Party; 15 M-19; 12 MSN; and two UP members.

Liberals Alberto Montoya Buyana; Tito Rueda Marin; Juan Guillermo Angel; Luis Fernando Londono; Victor Rena Parco; and Jaime Enrique Gallo were the candidates to the Senate that followed candidates Pastrana and Vera Gave in votes.

Further Voting Results

PA2910034491 Santa Fe de Bogota Inrrevision
Television Cadena 1 in Spanish 1730 GMT 28 Oct 91

[Report by Miguel Cote from the National Civil Registry Office]

[Text] [Cote] I am at the National Civil Registry Office to learn about the 27 October election results. Here at my side is National Registrar Dr. Luis Camilo Osorio.

Doctor, what is the latest information you have?

[Osorio] Bulletin No. 10 is being issued at this moment. It speaks of a little more than 4.8 million votes. This represents 92 percent of the total number of votes cast. The other election returns will be available on 29 October at 0900 in all the municipalities.

[Cote] Regarding the Chamber of Representatives, when do you expect to have an official report?

[Osorio] We have been issuing results since yesterday. This information is listed in Bulletins No. 9 and 10. The results have changed only slightly. We must wait for the election returns. We cannot continue to issue opinions on matters that are the responsibility of the persons who must announce the election results. In the case of the Chamber of Representatives, this is the responsibility of the delegates of the National Electoral Council.

[Cote] How is the public order situation? What information do you have from district and municipal registry offices?

[Osorio] Again I must express my regret over the painful Meta Department event that has saddened our electoral organization. In Lejanias Municipality, the delegate of the registrar was despicably killed. In another remote town of that department, the president of the local electoral board was also killed. In addition, two police agents were killed and two other persons were wounded.

[Cote] All things being equal, could we say that the electoral process has been positive?

[Osorio] It was positive. I must explain that electoral documents were not lost in these upsetting cases, and they were therefore available to the electoral organization.

[Cote] Thank you, Mr. Registrar.

CNGSB Cites Conditions on Resuming Talks

PA2610231391 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 26 Oct 91

[Text] Santa Fe de Bogota—The informal talks between the government and the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] to set the date for resuming peace talks concluded without agreement. Presidential peace advisers Carlos Eduardo Jaramillo and Tomas Concha said that it is impossible to set a date for the next round of talks because the rebels are demanding a timetable with exact dates to avoid delays in future talks.

The CNGSB has issued the following communique.

1. On 24 and 25 October government representatives Carlos Eduardo Jaramillo and Tomas Concha and CNGSB representatives Commanders Pablo Catatumbo

and Diego Ruiz met but were unable to reach an agreement on the criteria and date to resume the Caracas talks, which the government chose to break off on 30 September.

2. To resume the talks we deem it important that the sides agree on:

a. A defined timetable for this round to prevent further delays.

b. New criteria to prevent unexpected ruptures.

3. Since no consensus was reached on the aforementioned, the conflicting sides decided to maintain telephone contact until a new meeting is scheduled.

4. The CNGSB stresses its determination to make progress in the negotiations but believes that it is essential to decide on the rules of conduct both sides are to observe at the negotiating table to expedite the process.

[Signed] CNGSB

[Dated] Caracas, 25 October 1991

Spokesman Comments on Attack

PA2710024091 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 25 Oct 91

[Interview with Alfonso Cano, spokesman for the Simon Bolivar National Guerrilla Coordinating Board, CNGSB, by anchorman Dario, by phone from Caracas on 25 October—recorded]

[Text] [Dario] Over the past 24 hours there were guerrilla attacks throughout the national territory. In Tamara, a town northeast of Casanare Department, a seminary was attacked and partially destroyed after being sprayed with grenade and mortar fire. Seminarian Gerardo Moreno Neira was killed, while six companions and two national police officers were wounded, some seriously. They were taken to the regional hospital in Yopal. In Antioquia, there were attacks in Saragoza and San Luis, and there were skirmishes in Jamundi. In brief, there has been an escalation in terrorist attacks that was not seen for several weeks. Mr. Alfonso Cano, what is the position of the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] in light of this new offensive? Have these attacks been launched by fronts and groups that you control or were they launched by dissident groups that have already stated their differences with you?

[Cano] Good morning to you, Dario, and to all the radio listeners. I have the same information you have, nothing more. I can tell you that several days ago we talked with the leaders of the movement in Colombia and they pointed out to us certain difficulties in light of the all-out offensive against all the fronts and movement headquarters in the field. I understand that yesterday Commander Marulanda made some statements on the radio in which he pointed out such difficulties and that he believed that

if this situation continues there would be further difficulties. Here in Caracas we have heard some observations from several fronts on specific situations. For example, the cases in Arauca; Magdalena Medio; La Uribe, Meta Department where there are charges by the civilian population of bombings and machine gunning, where there are victims, there are also accusations filed at the Attorney General's Office and...

[Dario, interrupts] Wait, wait a second Alfonso. The official report states that this Catholic seminary was attacked by over 60 CNGSB men, specifically from the 28th and 38th FARC [Revolutionary Armed Forces of Colombia] Fronts and from the National Liberation Army's [ELN] Jose Daniel Suarez contingent. This is what we want to talk about. Do you condemn this attack against a civilian organization that has nothing to do with the military—there are no soldiers there, there is no police force—or do you accept this attack, or tolerate it, or are you completely removed from this?

[Cano] It makes no sense to attack a seminary, none at all. There is no objective from a military or democratic point of view. However, I would like to have all the information on the attack before I express my opinion on the incident because on several occasions what has happened is...[pause] I want to give you an example: Since 23 October, the newspapers have published articles stating that the ELN was to blame for the murder of six peasants, and yesterday that version was corrected by the mayor, by the parish priest, etc., pointing the finger at the paramilitary who operate in the area. It is obvious that a seminary is not the guerrillas' objective, much less civilians, even much less if they are religious persons. This is why, Dario, I would like access to information from there to avoid rushing to conclusions that turn public opinion to causes that do not reflect the truth.

[Unidentified reporter] Mr. Cano, what we understand then is that you are not yet certain if it was the guerrillas who attacked the seminary and that you are awaiting for information from the field in this regard?

[Cano] Yes, that is correct. Moreover, we have just learned about the report on the seminary and the seminar from you. We have not seen the newspapers and this morning we did not hear the radio because the transmission from there was very bad.

[Reporter] In any event, there are a number of actions that puts on the table once again an issue that is a matter of great concern for the national government in these negotiations: To what extent do the guerrillas have control over their own fronts. We would like to know over what percent of these organizations you have control and how you are going to gain overall control to proceed with the negotiations with the government?

[Cano] A dangerous game is being played through the media and by some official sources, according to the press that we have read here. The delegation that we have is the most representative that exists in the CNGSB. All that is missing to complete the picture

would be the three commanders. We are in permanent contact with them and they have endorsed our statements and the commitments we have made. I believe that an analysis must be made of the current situation in the country because it is impossible to think that an undefeated armed rebel movement, such as the CNGSB, is going sit down peacefully while the Armed Forces launches offensive operations, attack them, etc. I think that for the guerrillas, the principle of defense is understood as elementary. This is what I can tell you, I think that the rest is warmongering activity intended to weaken the negotiations and I truly believe that if this continues, there will be irreparable effects on the peace process.

Insurgent Group Members Killed in Car Crash

PA2710194191 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1849 GMT 27 Oct 91

[Text] We have last minute news from Cali. A total of 20 people were killed in a car accident in the city of Cali. The people who were killed were active members of the 19 April Movement Democratic Alliance. They were on their way to the polls to vote. The incident took place in the western part of the Cali, Valle del Cauca Department. According to the latest information we have received, a total of 23 people were killed. The vehicle they were riding in was completely destroyed.

Ecuador

Government Refuses To Increase Interest Payments

PA2810013791 Hamburg DPA in Spanish
1542 GMT 25 Oct 91

[Text] Quito, 25 Oct (DPA)—After deeming the \$11.7 billion foreign debt "unpayable," today the Ecuadorian Government announced that it would only continue to pay 30 percent of the interest, tacitly rejecting creditors' demands to increase payments to 50 percent.

Finance Minister Pablo Better announced that, despite pressure, "we will remain firm in our position," and added, "we cannot do it, and we will not do it."

Better also indicated that Ecuador has not yet reached an agreement with the managing committee of the creditor banks with regard to a reduction of debt figures and new payment schedules. He stated: "We are not in a position to accept the committee's demands." He also emphasized that "no agreement is better than a bad agreement."

Since July 1989—when Ecuador resumed its payments after a 30-month interruption—it has been paying only 30 percent of the interest as payments become due. However, Ecuador is currently three months behind, citing difficulties in the treasury.

Better announced that Ecuador will resume payments as soon as the treasury has recovered, internal obligations

are met, and the necessary surplus that would allow Ecuador to get caught up in its payments is obtained. Ecuador's payments amount to approximately \$40 million per trimester. The commercial portion of the debt equals \$5.8 billion and the other half of it includes government-to-government loans, as well as loans from multinational organizations.

According to Better, Ecuador is current in the commercial portion of its debt and is putting the "finishing touches" on a new "standby" [previous word in English] agreement with the IMF, an agreement that is a prerequisite for new negotiations with the Paris Club for 1991, as well as for 1992.

Better stated that the commercial portion of the debt—involving about 400 banks—is "unpayable at its nominal value." For that reason, Ecuador has proposed reductions of up to 70 percent and payment agreements similar to those obtained by Mexico, Venezuela, and Costa Rica.

Paraguay

Central Bank President on Debt Negotiations

PY2510200391 Asuncion ABC COLOR in Spanish
25 Oct 91 p 11

[Interview with Jose Enrique Paez, president of the Paraguayan Central Bank, by unidentified ABC COLOR reporter in Asuncion upon his arrival from IMF conference in Thailand—date not given]

[Text] [ABC COLOR] What are the results of your visit to Thailand?

[Paez] The preliminary results are highly positive for the country?

[ABC COLOR] Does this mean that the creditors showed a receptive attitude towards our country?

[Paez] Yes, they were receptive. With this I do not mean to say that things have been easy. Quite the opposite, we have trod quite a difficult path because our proposals were not immediately acceptable in that our creditors, that is, the private sector and the Paris Club, were hoping we would offer to honor a portion of our debt immediately, taking into account our recent macro-economic indicators.

The level of our international monetary reserves and the surplus of our budget accounts show that we should be able to honor our commitments.

We had to carefully explain to them the political process we are undergoing in Paraguay. We told them we are living a transition period which we wish to consolidate before normally resuming the payment of our foreign commitments. Our point is that, for a mere technical

formality, we do not wish to miss a historical opportunity for our country. They have now understood our position.

Talks were held at every level, that is, with the main leaders of the IMF and the World Bank, as well as with the technicians of these two institutions. We also held meetings with members of the Paris Club, with representatives of the countries that belong to this "pool", and with members of the private banking sector. We held meetings throughout every day of the week of the joint assembly in Bangkok.

[ABC COLOR] Has any attempt to establish a schedule for the negotiations with the Paris Club been made?

[Paez] We reached a basic agreement with the private banks but we must continue talks with the Paris Club. We decided to continue these talks through the ambassadors accredited to our country and through the IMF, whose mission will return to our country soon. We have agreed to expedite procedures and to solve all existing problems by the end of the year.

[ABC COLOR] Does this mean that the return to our country of the IMF mission is confirmed?

[Paez] Yes, the IMF mission will arrive in our country within the next few days.

[ABC COLOR] When exactly?

[Paez] Within the next few days.

[ABC COLOR] What progress have you made during your talks with the World Bank?

[Paez] The finance minister travelled to Washington to sign credit agreements with the World Bank. There are still a few creases to be ironed out before determining the amounts, but what must be noted is the willingness shown by this organization to support the Paraguayan process. Their current attitude is quite different to that last year.

The disbursements are scheduled for next year. Therefore, preliminary studies will be completed this year.

Trade, Agricultural Figures Given

PY2910115291 Asuncion ULTIMA HORA in Spanish
26 Oct 91 p 12

[Text] According to preliminary figures released by the Paraguayan Central Bank [BCP], our country's accrued trade balance deficit reached almost \$350 million in September. Last year our foreign trade deficit totalled \$15.5 million FOB [free on board].

Weather problems, the drop in prices of our main export items, and distortions in foreign currency exchange rates on the domestic market were the main causes that provoked an acute situation on the external front.

According to the BCP figures, which are subject to change, our exports in September totaled \$58.1 million FOB for a total of 105,167,038 kg in declared exported commodities. Accrued total exports stood at \$556.4 million.

Imports, which have been pushed upwards by a sharp and steady distortion in foreign currency exchange rates, totaled \$73.6 million in September (this figure could be higher because some data is still being checked). Accrued imports from January through September stands at \$903.6 million.

Thus, the trade deficit as of September totals \$347.2 million, compared to \$331.7 million in August.

Agriculture is going through a critical situation. Soybean crops, which have obtained poor prices on the international market, have been considerably reduced during most of 1991. Additionally, the accumulation of large amounts of cotton fiber made it difficult for banks to recover their financial investments. The BCP notes that the entire rural sector, for several reasons, is experiencing a period of recession.

Police 'Violently Repress' Asuncion Demonstrators

PY2910022291 Asuncion ULTIMA HORA in Spanish 28 Oct 91 p 13

[Text] Special Police Operations personnel this morning violently repressed people who demonstrated in Villeta in support of striking INC [National Cement Industry] workers. The demonstrators, among whom were children and old people, were dispersed with tear gas grenades and several of them were brutally beaten. An old woman had to be rushed to a hospital after a car in which Dr. Federico Zayas [INC board chairman] was a passenger ran into a crowd attending a religious service.

Villeta residents were invited by social and religious organizations to stage a peaceful demonstration in front of the INC plant, where some 400 workers have been staging a strike to protest the dismissal of six fellow workers. The demonstration included a religious ceremony scheduled for 0700 in the morning.

At about 0615, however, when the workers and their families began to arrive and place themselves at the sides of the road, the "antiriot" forces started to push forward, forcing the demonstrators to move back, the workers reported. When the demonstrators refused to disperse, the policemen began to hurl tear gas grenades at them and to beat them. As a result, several people were injured, including a six-month-old baby who had to be taken to the emergency room because his life was at risk.

Estanilao Riveros, a striking INC worker who was wounded in the forehead, said: "We were only staging a demonstration. The policemen repressed us, saying that we were blocking the path of those who wanted to work. We were demonstrating peacefully. They were the ones who beat us and hurled tear gas grenades at us."

Approximately one hour later, the demonstrators again gathered some 200 meters from the entrance gate. With still teary eyes and visibly affected by the news that the baby had allegedly died, the demonstrators were attending a religious ceremony when INC Chairman Dr. Federico Zayas arrived in a car that raced into the crowd at high speed. When the car drove away, Eugenia Jara, 50, aunt of one of the striking workers, was lying on the pavement.

Still shocked by the violent repression, the demonstrators began to hurl stones and a chair at the car, but could not damage it.

Peru

Government To Privatize Telecommunications System

PY2410173091 Madrid EFE in Spanish 0003 GMT 24 Oct 91

[Text] Lima, 23 Oct (EFE)—Antonio Paucar, president of the National Telecommunications Enterprise of Peru [Entelperu], today announced that Peru will privatize its national telecommunications system because, after 20 years under state control, the service has not had good development.

Paucar also said that Entelperu will publicly auction 20 percent of its shares of the Peruvian Telephone Company, which provides telephone services in Lima.

Paucar noted that the privatization of this service "is sound and will be designed to promote the development of telephone services in the country with the participation of foreign companies and investors."

Paucar, who today opened the second Meeting of Financial Directors of Ibero-American Telecommunications Enterprises, added that Peru "will follow the modern trend observed in other Latin American countries, which are privatizing their telecommunications systems."

*** Military Commander Comments on Human Rights**

92WR0023Z Lima EL PERUANO in Spanish 27 Sep 91 p 9/B

[Article by Rosa Delgado, special correspondent]

[Text] Tarapoto—At present there is not a single disappeared person or prisoner, nor are there any instances of human rights violations in San Martin and Huanuco, said the chief of the Political Military Command of both departments Army General Jaime Rios Araico.

He stated that units of the Army and of the National Police assigned to that zone coordinate constantly to avoid the commission of this type of abuse of the civil population and to abide by the measures established by the government to respect human rights in the country.

The senior military chief replied to questions regarding charges, primarily by parliamentarians, of human rights

violations in this part of the country, including 14 disappeared persons in Tingo Maria.

He explained that in the course of this year the Army has shot a significant number of subversives, many of whom, he said, might be counted as disappeared persons. He added that there are some who report the disappearance of family members not knowing that the latter have involved themselves in subversive activities.

As an example, he cited the case of "comrade" Valverde who a month ago was turned over to the Dircote [Counterterrorism Directorate], without his wife knowing—until the moment of his arrest—that he was the number two in the MRTA [Tupac Amaru Revolutionary Movement].

In any event, Rios Araico pointed out that although disappearances may well occur, it remains to be seen "who is disappearing the people", denying that these supposed actions are the work of the military.

The chief of the Huallaga Front said that respect for human rights was a constant concern of the armed forces and in that connection stated that the military commands met in Huanuco two weeks ago to coordinate actions on human rights. He added that a similar meeting was held in this city last week, this time with the police commands.

"Basically, procedures were outlined which are to be followed by the military in the war against subversion regarding the protection of human rights", he concluded.

Uruguay

Split Possible in Labor Following Congress

PY2910005691 Madrid EFE in Spanish 1608 GMT 28 Oct 91

[By Alberto Pepe Leira]

[Text] Montevideo, 28 Oct (EFE)—In the worst crisis of its history, the Uruguayan labor movement is threatening to split after the failure of a congress of its main trade union organization that sought to restructure its operations, a congress that reflected the political struggle following the changes in the socialist world.

The Interunion Workers Assembly and National Convention of Workers (PIT-CNT), comprising over 90 percent of the Uruguayan trade unions and traditionally controlled by Communist Party members, could not escape from the current struggle among orthodox members, Marxist renovators, and former guerrillas to control the Uruguayan left.

The main disagreement at this weekend's congress, in which 742 of 1,014 authorized delegates participated, involved a secret vote—sponsored by the renovators—to

elect executive board members and trade union representatives. There was no agreement on changing the Stalinist, extremely vertical, executive board for a more modern one.

Since its foundation 26 years ago the PIT-CNT united the labor movement on the basis of equality among all labor unions, regardless of their size. The reform sought proportional representation and a reduction in representatives in order to make the executive board more executive.

Most of the trade unions supported the reform, but the opposition, made up of small radical groups controlled by militants akin to the former Tupamaros [National Liberation Movement Tupamaros faction] guerrillas group, caused the two-day discussions to fail.

The reform was only supported by 522 of the 742 delegates, 154 votes less than the two-thirds required, while 146 delegates voted against the reform and 37 abstained. [numbers as received] According to this figure, about 80 percent of the delegates present, who represented 110,000 workers, wanted the changes. The other 20 percent, representing trade unions with about 40,000 members, either opposed the changes or abstained.

Numerous moderate executive board members attributed the failure and the possible split of the traditionally iron-strong unity of the Uruguayan proletariat to the current political struggle to control the left after the fall of "true socialism."

Luis Romero, from the Trade Union of Rubber Workers, told the press that many delegates went to the congress "to settle party debts." "The trade union movement has become trapped in a party struggle in which all of us say that we must not fall," he said.

Federico Gomensoro, a leader from the Federation of Public Health Employees, has blamed the radical left, akin to the Tupamaros, for the situation. "They made an extremely serious mistake and now the unity of the movement is in danger," he warned.

Richard Read, from the Federation of Beverage Workers and one of the main opponents of the changes, described as "very serious" the assessments of his reformist colleagues. Read emphasized that although the statutes are 25 years old, they "are absolutely democratic" and "fully effective."

Jose D'Elia, who has been the PIT-CNT president since its establishment, has announced his retirement in order to allow a rotation of executive board members.

D'Elia warned: "The reality of the trade union movement, seeking to resolve issues through calls or mobilizations ordered from above, is no longer applicable."

The PIT-CNT president described the current situation following the fall of the PIT-CNT's credibility after the

country's democratization in 1985 and after overcoming 12 years of clandestine activities during the dictatorship (1973-1984).

Venezuela

*** Working Group To Study U.S. Trade Laws**
92SM0035B Caracas *EL DIARIO DE CARACAS*
in Spanish 4 Oct 91 p 20

[Article by Elinor Gil; first paragraph is introduction]

[Text] Miguel Rodriguez Mendoza, the head of the ICE [Foreign Trade Institute], regrets that while Venezuela is opening its markets, protectionist practices have been on the upswing in the United States. He said that in a meeting of the Commerce and Investment Council, it was decided to set up a working group to analyze U.S. trade laws detrimental to Venezuela.

Venezuela is losing between \$300 and \$400 million—50 percent of the value of its nonpetroleum exports—because it cannot gain access to the U.S. market which has legal barriers related to dumping, compensatory fees, and the application of export quotas.

This figure was reported by the ICE's president, Miguel Rodriguez Mendoza, in a press conference during which he spoke about the results of the first meeting of the Council on Trade and Investment between the United States and Venezuela. The meeting was held in Washington.

Rodriguez Mendoza finds it unfortunate that while Venezuela has adopted an open-door policy on trade, in the United States protectionist practices seem to have increased.

He said that the problem of legal barriers against Venezuelan exports to the United States had been discussed during the Council on Commerce and Investment meeting, and it was agreed to set up a working group on subsidies and compensatory fees and antidumping policies, in order to evaluate several aspects of U.S. trade legislation which applies such measures against Venezuelan exports.

"We also decided to set up a working group on the U.S. embargo against Venezuelan tuna exports. Remember that a GATT arbitration ruling held a similar U.S. embargo against Mexican tuna exports to be illegal. This preliminary decision could be favorable to the similar case with Venezuela. In the next few weeks GATT officials were to make a final decision. But now that will not be done, as the United States and Mexico have begun talks to seek a solution for the problem."

Rodriguez Mendoza said that the working group set up to study dumping and other problems will not intervene in current processes and legal actions. Its goal is to seek longer-term formulas to avoid what he called "administered protectionism," which is in line with current U.S.

legislation, and which in practice stimulates and facilitates legal action by U.S. industries which feel hurt by exports from other countries.

National Debate

Other agreements reached during the council's first meeting were to hold a bilateral working session in Geneva before the end of this month to examine a variety of issues related to the GATT Uruguay Round, especially tariff and service negotiations, and also to schedule a meeting in Washington for the end of October between the five Andean Group countries and the United States, to begin to exchange views on the progress of Andean integration, and on negotiations within the framework of the Initiative for the Americas.

At the Washington meeting it was also agreed to set up a working group on intellectual property rights to continue examining this issue, which the United States considers of great importance.

It was further decided to start a joint program to resolve health and plant health problems related to melon exports to the United States, and, in relation to Venezuela's participation in the preferences considered within the Andean Initiative, based on a study that the United States is to prepare, to review the possible impact of such participation on Venezuelan exports.

On the topic of Venezuela signing a free trade agreement with the United States, or possibly joining in the U.S.-Canada-Mexico free trade agreement, the ICE president said that as this is an extremely important matter, it should be the subject of a major national debate.

"A decision concerning a free trade agreement with the United States cannot be treated lightly, nor should Venezuela make hasty decisions. We should conduct a major national debate in which both the public and private sectors, representatives of the political parties and of Congress should take part. In that debate we need to analyze the pros and cons of a free trade agreement, and also review the negotiations conducted to date."

On proposals from business and industry concerning the acceleration of Decree 239, Rodriguez Mendoza favored holding a debate in which both sides of the issue could be presented, showing the costs involved in moving up the tariff opening by several months, and also the advantages of the Andean Group for business and industry.

In Rodriguez Mendoza's opinion, the scale would tip in favor of the advantages to Venezuela's business and industry of having a large market of over 100 million consumers.

He said the ICE has not abandoned its policy of nonpetroleum export incentives. He estimated that by the end of the year these exports will amount to \$3 billion, and said that the decline in exports and the increase in imports is in line with the domestic economy's growth pattern.

* Official Clarifies New Auto Tariff Policy

92SM0035A Caracas EL DIARIO DE CARACAS
in Spanish 4 Oct 91 p 19

[Article by Elizabeth Davila]

[Text] The minister of development, Jose Luis Calderon, has announced new guidelines for vehicle imports. The vehicle's price will provide the basis for determining its luxury category; tariffs, the CKD [Completely Knocked Down] and PCD [Foreign Currency Compensation Percentage] will be reduced, and the PCD will even disappear in the mass transportation and heavier weight categories.

Minister of Development Jose Luis Calderon has announced the final decree on the new auto policy which will take effect next Monday throughout Venezuela.

Among the fundamental changes made in the initial plan announced several days earlier by Imelda Cisneros, free imports of heavy and mass transportation vehicles, both used and new, will be allowed without any restrictions, and PCD requirements will be decreased and/or eliminated.

Free import is being kept for new passenger vehicles, and it is made clear that "under no circumstances" will the import of used vehicles of this category be allowed. Tariff reductions are being kept as announced earlier, with an explicit modification in the treatment of luxury vehicles, with the tariff to be supplemented by an increase like a tax. The determination of this category will be based on a price above \$15,000, not on the cylinder capacity.

The specifications of the decree, which was sent to the Attorney General's Office yesterday and is to be published in the GACETA next Monday, indicate that Category One (1), which includes passenger vehicles of up to nine seats and light vehicles with a weight under 3 tons, may be freely imported new, with a tariff of 25 percent to be paid when their value does not exceed \$15,000.

Within the same category and specifications, but for vehicles costing more than \$15,000, a 15 percent tax will be added to this tariff; that is, tariffs of 40 percent must be paid—the CKD in this category will be 5 percent, while the PCD is cut 50 percent.

Category Two (2) includes vehicles over 2 tons. All brands and models, both new and used, may be freely imported without any restrictions, by paying a 10 percent tariff. The CKD is set at 5 percent, and the PCD is eliminated.

Category Three (3) includes mass transportation vehicles with more than nine seats. Both new and used models in this class may be freely imported without any time restrictions, by paying a 5 percent tariff. The CKD remains at 5 percent, and the PCD is eliminated.

To supplement the vehicle imports decree-law, a Tariff Modification Decree was prepared by the finance ministry, and is now ready.

Also under study is a finance ministry resolution on commercial connections. This would apply a surcharge of approximately 38 percent of the stated price to vehicles imported by persons or companies directly from the supplier of the product.

According to information provided by Jose Luis Calderon, such a measure exists in all sectors of the Venezuelan economy.

Concerning the additional tariff on luxury vehicles, it was reported that this will later be replaced by a luxury tax mechanism. A draft bill is now being prepared, which will be introduced in Congress at the end of November 1991.

Calderon said they felt that the areas affected by this new decree will have a lesser impact and the tariff is only being reduced by 5 percent for free imports, in comparison with what was planned in the policy now being changed, which would have reduced the tariff from 40 to 30 percent.

"Import restrictions should be eliminated, as they are inconsistent with the objectives of Decree 239 which governs the rest of the nation's industry. This was also the basic reason behind the changes made after the ministry of development's initial announcement two weeks ago," said Calderon.

He added that this new policy should promote vehicle price stability and provide consumers with more economical forms of transportation than those now available. The prices will certainly be at levels never before seen in Venezuela.

To the allegation that the state is promoting imports of junk, he responded that the state cannot regulate negotiations by private individuals. In any event, it will be up to the purchaser, the primary party concerned, and the only one responsible, to make a good deal. This should be based not only on prices and the model's features, but also on guarantees that parts and service will be available in Venezuela.

* Military Reportedly Complain About Conditions

92SM0034A Caracas EL UNIVERSAL in Spanish
(Section 1) 24 Sep 91 p 19

[Article by Jose Ramon Diaz; first paragraph is introduction]

[Text] Though they complain about the economic package in silence, they are loudly demanding that Congress move quickly to approve funding for the 13-billion bolivar Overall Social Security Plan.

Like other Venezuelan groups, the military are facing problems related to housing, health care, education, recreation and social security.

They want their future to be secure, so they are demanding that Congress quickly approve the funding—13 billion bolivars—for the Overall Social Security and Welfare Plan drafted by the defense ministry.

The military—from the lowliest soldier to the generals—want their basic needs to be met, and the government, through the defense ministry and its top leadership, needs to respond to their complaints and uncertainties.

Rear Admiral Jose Rafael Huizi Clavier, departmental director of the defense ministry, explained that the current philosophy calls for responding to the needs of the military. This provides a sort of guideline for those who administer programs and projects.

Huizi Clavier says that the armed forces have worked to improve service personnel's wellbeing and to raise their standard of living. This means improving their psychosomatic conditions, which will benefit the nation's security and defenses, and ensure the stability of Venezuela's democratic institutions.

Many members of the military complain in silence about the economic package. They want help with their problems related to housing, health, medical and welfare benefits, education, recreation and culture, particularly for those living in the most isolated corners of the nation.

"We aspire to that 'possible felicity' which they offer us," says an Army colonel on active duty.

"They still have not provided us (myself, my wife, and children) with housing. We have to pay rent," says an Air Force captain.

The military are still waiting for the promises made to them to be kept. So they complain, especially mid-level officers (lieutenants, captains, majors), as well as career

NCOs, professional and technical people, and young people that they have not yet been provided with housing.

"I live with my mother-in-law. I do not have a house of my own, and I hope the Air Force is going to help me," adds an Air Force technical sergeant.

At the defense ministry people say that the Overall Social Security and Welfare Plan is ready, and they hope it will be approved soon by Congress. It was designed in three parts, based on the financing methods used. For example, an Overall Investments Plan would be executed from additional financing revenues provided by a Public Credit Law; an Overall Budget Impact Plan, the result of the preceding plan, would be funded from the Regular Budget. Finally, there is an Overall Plan of Measures that are not financially quantifiable, but which are needed to reinforce actions taken by the first two plans.

According to military officials, this strategy is important, as what is intended is to make the social security and welfare system work properly, to develop an overall strategy, and to design coherent and systematic policies to improve health, housing, education, and culture services and other socioeconomic support systems.

But how much is needed?

According to the estimates, 13 billion bolivars will be needed between 1992 and 1995, broken down roughly as follows: 4.81 billion bolivars for health (37 percent); 5.2 billion for housing (40 percent); 1.17 billion for recreation (9 percent); 773.5 million for socioeconomic support funds (5.95 percent); 650 million for education (5 percent); sports and welfare programs would get barely 3 percent of this public funding.

Funding to Finance the Overall Armed Forces Social Security and Welfare Plan
(Investment Timeline, in Billions of Bolivars)

1992	1993	1994	1995
4.004	4.37535	3.20955	1.4111